



Daily Report

East Asia

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Japan

Bush Envoy Asks Easing of Car Import Standards

OW2212072891 Tokyo KYODO in English 0657 GMT
22 Dec 91

[Text] Tokyo, Dec. 22 KYODO—U.S. President George Bush's personal emissary on Sunday asked Prime Minister Kiichi Miyazawa to ease Japan's import screening system for U.S. autos, Foreign Ministry officials said.

Undersecretary of State Robert Zoellick, who arrived in Tokyo Saturday to prepare for Bush's four-day visit beginning January 7, said harmonizing standards for foreign and domestic car models would help boost Japanese purchases of U.S. cars.

Miyazawa was quoted as saying that he will instruct the relevant government officials to study the matter.

Twenty-one U.S. business executives, including the heads of the Big Three automakers, will accompany Bush on his tour of Australia, Singapore, South Korea and Japan.

Zoellick said the sluggish U.S. economy has hurt the bilateral relationship, adding that Bush will announce measures to expand the domestic economy in his State of the Union speech in January.

He also handed Miyazawa a personal letter from the President which indicated the importance Bush attaches to U.S.-Japan ties and eagerness to meet the prime minister during his upcoming visit.

On the final draft agreement announced Friday by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), Miyazawa and Zoellick agreed that the two countries must make efforts to achieve a successful conclusion to the trade talks.

Earlier in the day, Zoellick told Foreign Minister Michio Watanabe that expanding exports of U.S.-made cars and parts to Japan will be at the top of Bush's agenda.

He was quoted as telling Watanabe that Bush is determined to stick to free trade principles despite growing anti-Japanese sentiment in the U.S. stemming from an economic downturn.

Zoellick said Tokyo's cooperation is needed to rectify the huge U.S. trade deficit with Japan.

The emissary, however, added that Bush's visit is not part of his presidential reelection campaign, saying that Washington only wants Tokyo to pay serious attention to the bilateral relationship and its economic role in the world.

According to a recent ABC News-WASHINGTON POST poll, U.S. economic woes have cut Bush's approval rating to 47 percent, the lowest of his presidency.

Watanabe was quoted as replying that Japan is making efforts to stimulate domestic demand and reduce its dependence on foreign markets, according to the officials.

U.S. envoy Zoellick later met International Trade and Industry Minister Kozo Watanabe and called for Japan's cooperation in increasing purchases of U.S.-made cars and car parts.

Zoellick also urged Watanabe for Japan's efforts to procure U.S.-made computers for the government and increase imports of paper and glass products from the United States.

He called for the success of President Bush's January visit to Japan to cope with growing U.S. concerns about relations with Japan, protectionism, and isolationism amid the current economic downturn in the U.S.

Watanabe told Zoellick that Japan will cooperate to secure success for Bush's Japan visit, but said that U.S. efforts will also be necessary.

Reaction to U.S. Ruling on Minivan Dumping

Trade Ministry Reacts 'Calmly'

OW2112071491 Tokyo KYODO in English 0655 GMT
21 Dec 91

[Text] Tokyo, Dec. 21 KYODO—The Ministry of International Trade and Industry reacted calmly Saturday to a ruling by the U.S. Commerce Department that Japanese-made minivans are sold at unfairly low prices on the U.S. market.

The decision will deal a blow to Japanese minivan exports to the United States, but is basically a matter to be dealt with in individual export negotiations, a ministry official said. The official, who declined to be identified, said the ministry will study whether the dumping margin was based on fair judgment.

The U.S. department, in announcing the ruling, said a preliminary finding showed Japanese minivan makers were selling their products on the U.S. market at lower prices by a margin ranging from 7.19 percent to 0.95 percent.

In the ongoing Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT), Japan has called for measures to prevent abuses of antidumping action.

Under the U.S. Antidumping Law, the Japanese minivan makers are required to deposit cash or bond equivalent to the weighted-average dumping margin with the Customs Service pending a final ruling on the case by the International Trade Commission, scheduled for next May 11.

Automakers Challenge U.S. Charge

OW2112110791 Tokyo KYODO in English 1016 GMT
21 Dec 91

[Text] Tokyo, Dec. 21 KYODO—The Japanese auto industry responded cautiously Saturday to a preliminary ruling by the U.S. Commerce Department that Japanese carmakers are dumping or selling their popular minivans in the U.S. market below fair market value.

"That's a sign that the United States is exerting pressure on Japan over the auto sector ahead of a visit by President George Bush and the top executives of the Big Three automakers," said an executive at one major automaker.

The preliminary ruling, which followed the complaints by General Motors Corp., Ford Motor Co., and Chrysler Corp., set the stage for the U.S. Government to impose antidumping duties on Japanese-made minivans. A U.S. decision to act on alleged dumping will be made by the Commerce Department by May 11, 1992, and their findings will be passed to the International Trade Commission (ITC), which must make a determination on the case within 45 days of receiving the findings.

Mazda Motor Corp. challenged the ruling, saying it is not dumping minivans on the U.S. market. U.S. critics allege that Japanese automakers inflate domestic vehicle prices to cover losses incurred from export models dumped on foreign markets to corral larger market shares.

"We sell some 4,000 MPV [multi-purpose vehicle] minivans a month in the United States. But we sell only 60 vehicles in Japan, so it's impossible to dump MPVs in the U.S. with profits earned domestically," said a senior official at Mazda.

An executive at Toyota Motor Corp. expressed regret at the preliminary ruling and pointed out that there are significant differences between Toyota's minivans sold in Japan and those in the United States.

"Unlike those shipped to the United States, our minivans sold here are equipped with air conditioners as standard equipment. There are significant differences, so it's difficult to make a simple price comparison between them," the executive said.

Both Mazda and Toyota expect a final ruling by the department to be favorable to them, but they worry that the preliminary ruling came at a bad moment. The ruling came on the same day that a group of U.S. congressional Democrats unveiled legislation that would limit imports of cars from Japan to slash the huge U.S. trade deficit with Japan. It also comes on the heels of a drastic restructuring plan announced by GM, calling for the closure of 21 plants over the next few years and the slashing of 74,000 jobs.

"It (the preliminary ruling) is just a move toward containing Japanese automakers," said a senior official at one major Japanese automaker.

Reaction to GATT Call for Tariffication Viewed**Tokyo Making 'Careful Analysis'**

OW2112051891 Tokyo NHK General Television
Network in Japanese 0300 GMT 21 Dec 91

[Text] Commenting on the draft agreement proposed by GATT Director General Dunkel, Chief Cabinet Secretary Koichi Kato said:

[Begin Kato video recording] It appears that all countries are trying as best as they can to avoid commenting on a part or parts of the draft agreement. The Japanese Government is currently making a careful analysis of the proposed agreement in the belief that a careful analysis is required. Therefore, I cannot make a detailed comment on it now.

In the agricultural sector, Japan and many other countries have expressed their opposition to the idea of comprehensive tariffication. It is regrettable indeed that, this notwithstanding, a draft with comprehensive tariffication as its substance has been submitted. Japan wants to continue its efforts so that its views will be reflected in the results of negotiations. [end recording]

Chief Cabinet Secretary Kato further indicated that the government plans to examine the draft agreement in real earnest at a meeting of pertinent cabinet members on the Uruguay Round on 25 December after receiving a briefing from the Japanese Government delegation upon its return from Geneva.

Minister of Agriculture, Forestry and Fisheries Masami Tanabu had the following comment:

[Begin Tanabu video recording] The draft agreement proposes the removal of quantitative limits, despite the fact that export subsidies, the most distorted form of trade, have yet to be abolished. It also proposes the introduction of tariffication despite the fact that adequate consideration has not been given to food security and production readjustment issues. It was put forward without any debate about the base year, possible reduction rates in areas of domestic support, or border measures.

From the viewpoint of the stable supply of food and Japan's agricultural and rural policies, I think that the draft agreement contains serious problems. Japan intends to continue making efforts so that its basic position will be reflected in the results of negotiations. [end recording]

Meanwhile, Liberal Democratic Party [LDP] Secretary General Tamisuke Watanuki issued the following statement: It is regrettable that the proposed agreement does not incorporate Japan's position that it cannot accept tariffication without exceptions. The LDP will consider how to deal with this development after hearing views from respective expert party organs.

Tomio Yamamoto, chairman of the LDP Research Commission on General Agricultural Administration,

said: Taking a look at progress in agricultural negotiations held to date, the proposed draft agreement was submitted before substantial debates among nations were held and before nations have reached an accord. I think that substantial negotiations, including revision and changes, are necessary. The LDP wants to do its best so that the basic position it has maintained thus far will be embodied in the document.

Meanwhile, opposition parties released the following statements:

The Social Democratic Party of Japan said: The draft agreement on the agricultural sector, including the liberalization of rice, is based on the interests of agricultural product exporting countries and is thus extremely inequitable. It is absolutely unacceptable. The Japanese Government should stick to its traditional posture opposing the liberalization of rice imports.

Komeito said: Our party has called for partial opening of the rice market in order to avert the liberalization of rice imports. The results of the government's negotiations are very regrettable in that Japan is pressed to accept tariffication without exceptions. The government should make its best effort to the last to avert tariffication.

The Japan Communist Party said: The latest draft agreement tramples underfoot the rights of Japan, the greatest importer of agricultural produce in the world. Liberalization of rice imports is absolutely unacceptable. The defense of a nation's agricultural system is a sovereign right of that nation. The absurd demand for opening the rice market must be rejected.

The Democratic Socialist Party said: If the rice market is opened even partially, Japanese agriculture will be dealt with a devastating blow. From the viewpoint of food security and production readjustment for rice under way domestically in Japan, the rice market should not be opened.

LDP Officials Voice Resistance

*OW2112053691 Tokyo KYODO in English 0525 GMT
21 Dec 91*

[Text] Tokyo, Dec. 21 [dateline as received]—Chief Cabinet Secretary Koichi Kato said Saturday it is too early to comment on the final draft of a global trade agreement, but senior ruling Liberal Democratic Party (LDP) officials voiced resistance to its call for converting agricultural trade barriers to tariffs.

Kato said it will probably take about half a day to evaluate the 500-page document, handed down in Geneva on Saturday by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), with the aim of soon ending the five-year Uruguay Round of multinational trade talks.

Kato also said it is necessary to scrutinize the characteristics of the proposal, such as how "final" it is.

Government sources said a ministerial meeting will be held Wednesday involving concerned ministers.

Meanwhile, Tamisuke Watanuki, secretary general of the LDP, said he regrets the proposal ignored Japan's claim by pushing comprehensive tariffication.

Watanuki said, however, Japan's stance to resist total liberalization of its rice market has not changed.

Japan argues its protection of the market stems from national food security concerns.

Yoshiro Mori, chairman of the LDP's Policy Affairs Research Council, told reporters it is necessary negotiations be continued, perhaps even after the next meeting by GATT's trade negotiations committee, scheduled for January 13. He also implied there is still more room for negotiation on Dunkel's draft.

Many other LDP members expressed strong resentment to the tariffication scheme, and opposition parties took to the same line, except for Komeito, which calls for partial liberalization of the rice market.

An official with the Ministry of Agriculture, Forestry, and Fisheries said it was predictable that comprehensive tariffication would be stated in the final draft.

He said, however, differences between the United States and the European Community will be advantageous for Japan.

The official said Japan will continue calling for saving, and even enhancing, the GATT Article 11-2-C, which allows import limitations on production-controlled items, while beefing up ties with other nations against comprehensive tariffication.

Farm Minister Masami Tanabu told reporters the draft is a basic idea that has not been discussed sufficiently. Japan cannot accept it as is, he said.

Finance Minister Tsutomu Hata said it is apparent there will be a massive influx of rice from overseas if Japan accepts tariffication.

He predicted Japan, as an economic power, under current production controls would eventually be forced to reduce tariffs after they were introduced.

Foreign Ministry officials predicted the negotiations will be extended for some time, saying the U.S. and the EC are not satisfied with the Dunkel proposal. But at the same time, they fear if the talks are abruptly concluded early next year, Japan could be left out in the cold.

The U.S. and EC take identical stances regarding tariffication of agricultural products.

A senior LDP official, speaking on condition of anonymity, predicted the government will come up with some kind of a decision regarding the issue before the arrival of U.S. President George Bush on January 7.

Government sources said possible compromising schemes are opening up the rice market by 3-5 percent of national consumption, with promises to consider accepting tariffication in the future, or accepting tariffication from the beginning but seeking conditions favorable to Japan with respect to easing tariffs.

Meanwhile, Kozo Watanabe, minister of international trade and industry, praised the Dunkel draft for seeking to curb unilateral retaliation measures, such as "Super 301" of the U.S. Trade Act.

But he said he is dissatisfied with the antidumping issue, saying the proposed enhancement of regulations is not sufficient.

Proposal Only 'Material Basis'

*OW2212135191 Tokyo KYODO in English
1327 GMT 22 Dec 91*

[Text] Tokyo, Dec. 22 KYODO—Executives of the ruling Liberal Democratic Party agreed Sunday to do their utmost to resist the idea of conversion of quotas and other farm-related nontariff barriers to customs duties which would affect Japan's rice market, party officials said.

Top LDP officials, including Secretary General Tamisuke Watanuki, were briefed by the party's Farm Trade Panel Chairman Kosuke Hori on negotiations carried out in Geneva under the General Agreement on Tariffs and Trade (GATT).

Speaking upon his return from Geneva, Hori said a final draft proposal submitted by GATT Director General Arthur Dunkel is a "material basis" for the ongoing negotiations and is not a proposal that governments must accept or reject.

He also said the current break in the GATT talks is a Christmas adjournment and negotiations will resume on January 13.

The gulf between the United States and the European Community over farm subsidies has not been narrowed, and Japan has not been isolated in the negotiations, Hori said.

Since tariffication may result in the opening of Japan's rice market, the LDP officials agreed to push for inclusion of an objection to the so-called tariffication scheme in the final GATT agreement.

Chief Cabinet Secretary Koichi Kato and Deputy Chief Cabinet Secretary Motoji Kondo were present at the meeting.

A tariffication scheme which would convert all nontariff barriers into gradually reduced tariffs was included in Dunkel's proposal.

'Difficult Decisions' on Issues Remain

*OW2212062591 Tokyo KYODO in English 0557 GMT
22 Dec 91*

[Text] Tokyo, Dec. 22 (KYODO)—International Trade and Industry [MITI] Minister Kozo Watanabe said Sunday the government will closely monitor talks between the United States and the European Community on farm trade.

Watanabe told reporters the draft pact on the global trade talks, proposed in Geneva Saturday by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), left Japan with difficult decisions to make regarding delicate issues such as the rice issue.

Dunkel proposed in the draft pact that the 108 negotiating countries convert all nontariff farm trade barriers into tariffs that would be reduced gradually.

The MITI minister said he could not predict what will result from Wednesday's cabinet meeting on converting farm trade barriers to tariffs as called for by the draft pact.

But he said Japan will have to take a stand on the final draft at a GATT trade negotiations committee meeting set for January 13.

Foreign Minister Welcomes New Commonwealth

*OW2212030191 Tokyo KYODO in English 0251 GMT
22 Dec 91*

[Text] Tokyo, Dec. 22 (KYODO)—Japanese Foreign Minister Michio Watanabe on Sunday welcomed the signing of new commonwealth accords by leaders of 11 Soviet republics.

Watanabe said in an informal statement that he hopes a democratic and peaceful transition will be made from the Soviet Union to the Commonwealth of Independent States and that it will be a cooperative force in the international community.

He also referred to existing treaties and other agreements made with the former Soviet Union which the commonwealth is expected to honor.

Unified control and reduction of nuclear arms, respect for basic human rights, economic reforms toward a market economy and assuming the former Soviet Union's foreign debts were also mentioned as important tasks for the commonwealth.

Watanabe added that he will consult with Western nations as soon as possible on whether to recognize the independence of various republics.

JCP Views Cause of Dissolution of Soviet Union

*OW2312100791 Tokyo KYODO in English 0935 GMT
23 Dec 91*

[Text] Tokyo, Dec. 23 KYODO—The Japanese Communist Party (JCP) on Monday blamed the dissolution

of the Soviet Union on President Mikhail Gorbachev's failure to confront Stalinism and denied the breakup was a "defeat for scientific socialism."

"The prime cause was the Gorbachev leadership's lack of conscious recognition and self-criticism of the hegemonism of (Joseph) Stalin and his successors, and its gross evil consequences," the party said in a statement.

"In general, what has collapsed with the dissolution of the Soviet Union is the distorted system mainly characterized by its deviation from scientific socialism," the statement said. "In no sense does the present situation mean a defeat for scientific socialism."

"The JCP has a long-range perspective that history will also verify in this connection that true social advance in the interests of the majority of the people will never be in the direction of returning to capitalism—it will create a situation in which the pursuit of a reconstructed, independent, sound socialism will in the end become the sincere demand of the people and society," it said.

Emperor Reviews Past Year in Birthday Interview

*OW2312033591 Tokyo KYODO in English 0307 GMT
23 Dec 91*

[Text] Tokyo, Dec. 23 KYODO—Emperor Akihito turned 58 years old Monday, while expressing his wish that Japan would deepen friendships with neighboring countries.

The emperor told reporters he has been exchanging cooperation and views with foreign researchers through his study on the Goby species of fish.

He said he was "greatly helped" by researchers in South Korea and China when he published a paper on the subject after his enthronement.

When asked for his views on an imperial visit to China, with which Japan will mark 20 years of resumed diplomatic relations next year, the emperor said it is "a question that the government will consider."

But he said, "In general terms I think it is important to deepen exchanges with neighboring countries."

Looking back on the past year, the emperor said, "It has been a turbulent year, including the Gulf war and the situation in the Soviet Union."

"However, it seems to be a bright prospect for the future that there have emerged indications that various problems of the international community are going to be solved through dialogue," he said.

Regarding the 50th anniversary of Japan's surprise attack on Pearl Harbor, the emperor said, "My heart aches when I think of how many human lives were lost and how many people suffered pain owing to the war."

"Japan, after the war, resolved to live as a peaceful nation, so that such calamities of the war will never be repeated, and sought peace and prosperity in the world. Today, after a

period of 50 years since Pearl Harbor, it is significant, I believe, for the deepening of understanding and friendship with the peoples of the world," the emperor said, adding, "we should look back on the past, calmly and in humility."

As for a speech made by Queen Beatrix of the Netherlands that touched on the war in a very straightforward manner, the emperor said, "I feel that her majesty, in her position to represent the people of the Netherlands and keeping in mind the past, fully expressed her desire to deepen understanding and friendship between our two countries in the future. It seems to me that true friendship is built up solidly by mutually sharing pleasure and mental pain."

When visiting Japan in October, Queen Beatrix said World War II caused a "deep gulf" between her country and Japan, and many Dutch people are still suffering from their experiences during the war.

Asked about next year's possible imperial visit to Okinawa Prefecture marking the 20th anniversary of the island's return to Japan, Emperor Akihito said, "It is my sincere wish to visit Okinawa at the earliest appropriate opportunity."

He also said the birth of his first grandchild, Princess Mako, was the most impressive event in his personal life in the past year.

Princess Mako was born to Princess Kiko and the emperor's younger son Prince Akishino on October 23.

Regarding the question of the marriage of Crown Prince Naruhito, the emperor said, "The utmost respect should be paid to his feelings."

Finance Ministry Urges Approval of Budget

*OW2212033891 Tokyo KYODO in English 0303 GMT
22 Dec 91*

[Text] Tokyo, Dec. 22 (KYODO)—The Finance Ministry on Sunday submitted to the cabinet a draft government budget for fiscal 1992 that is designed to restrict increases in defense spending while giving sizable boosts to public works and official development assistance (ODA) to the Third World despite the fiscal squeeze.

The budget plan allocated 72,218.0 billion yen for the general account for the fiscal year that starts April 1, 1992, a 2.7 percent increase over the initial budget for fiscal 1991.

The 2.7 percent expansion in the size of the general account budget is the smallest since fiscal 1987, when the budgetary spending remained flat from the previous year.

The government plans to approve a final budget plan for fiscal 1992 Saturday following negotiations among ministries and agencies to restore some of their initial budgetary requests.

In the general account spending, 38,698.8 billion yen is earmarked for general operating expenditures, which

cover the core of the budget including social security, defense, public works, education, and other public costs.

That category of expenditures shows a 4.5 percent rise from the initial outlay in the fiscal 1991 budget. The growth is slightly down from a 4.7 percent increase in the category in the previous year, but it still represents the second-largest upswing in 12 years.

The rest of the general account will be used for tax grants to local governments and debt-servicing costs.

The draft budget makes it clear that the ministry wants to limit the growth of defense outlays to 3.4 percent to 4,536.9 billion yen, the lowest year-on-year upswing in more than three decades.

The modest increase in the expenditures for maintaining Japan's Self-Defense Forces reflects the dramatic changes due to the demise of the Soviet Union and is also due to fiscal restraint, a ministry official said.

But the draft budget is relatively generous toward public works spending, which the ministry allowed to rise 4.5 percent to 8,170.9 billion yen, and ODA, which will expand about 5.0 percent to 927.0 billion yen.

The substantial expansion of public works spending, following a 6.0 percent rise in the fiscal 1991 initial budget, is in line with Japan's pledge in the structural impediments initiative (SII) talks with the United States to spend 430 trillion yen on public works in the 10 years starting in fiscal 1991.

Japan promised in the SII agreement—aimed at removing structural barriers to trade and investment—to upgrade its infrastructure and living standards in an effort to stimulate domestic demand and increase imports.

A Finance Ministry official briefing reporters said public works spending is focused on areas considered important for boosting the quality of people's lives.

The lavish spending on public works projects in the face of the fiscal restraint due to falling tax revenues is also aimed at providing a fiscal boost to the faltering economy.

The government has projected the Japanese economy will grow about 3.5 percent in fiscal 1992, but many economists in the private sector have forecast much slower growth.

The greater part of the fiscal stimulant, however, will come from fiscal investment and loans, which jumped 7.2 percent to 39,468.1 billion yen.

This category of spending, dubbed the "second budget," is financed by nontax financial sources such as postal savings, and is not included in the general account.

As the economy's rate of growth continues to slow down, the Finance Ministry is expecting a scant 1.2 percent increase in tax revenues for fiscal 1992 even with the recently announced 737 billion yen tax hike.

In order to meet the expected revenue shortfall, the ministry, besides raising taxes, has decided to issue 7,280.0 billion yen worth of construction bonds in fiscal 1992, its largest ever issuance of such bonds.

The income from the bond issuance accounts for 10.1 percent of the total revenue in the year, up from a 7.6 percent ratio in the fiscal 1991 initial budget.

The massive issuance of bonds will bring the bonds outstanding to about 174 trillion yen at the end of fiscal 1992, about 36 percent of the nation's gross national product (GNP), ministry officials said.

Debt-servicing costs in fiscal 1992 will be 16,447.3 billion yen, up 2.6 percent from the previous year's initial budget, accounting for 22.8 percent of the general account expenditure, they said.

In another attempt to balance the budget amid the fiscal squeeze, the Finance Ministry has scythed 1.3 percent off the tax grants to local governments, one of the three major categories of the budget along with general operating expenditures and debt-servicing costs, to 15.772 billion yen.

The ministry cited the sound fiscal conditions of many local governments as the reason for the reduction.

The cut in the allocation was the principal factor that helped restrict the growth in the general-account expenditure to a five-year low of 2.7 percent.

The proposed 5.0 percent increase in the ODA outlays came after the government's eleventh-hour attempt to increase taxes to bolster Japan's international contributions was foiled amid strong opposition from the Liberal Democratic Party's tax council.

The aborted attempt came on the heels of the government's failure to get a bill through the Diet that would have provided for Japanese forces to join U.N. peacekeeping operations.

But both defense spending and the ODA outlay in the fiscal 1992 budget are expected to be increased further through minister-level negotiations in the next week before the cabinet approves the budget plan, probably on December 28.

For other expenditures, social security costs will increase 4.0 percent to 12,702.6 billion yen.

Education and science will also be given a 4.0 percent rise in outlays to 5,612.4 billion yen.

The Finance Ministry plans to obtain 2,217.4 billion yen in nontax revenues, up 14.7 percent, including transferring part of the foreign exchange special account to the general account and fiscal payments by the Bank of Japan.

On the other hand, the ministry expects the revenue from the past sale of shares of Nippon Telegraph and Telephone Corp. to decline 83.3 percent to 216.6 billion yen.

Low Defense Outlay Growth Viewed

OW2212034691 Tokyo KYODO in English 0315 GMT
22 Dec 91

[Text] Tokyo, Dec. 22 (KYODO)—The Finance Ministry proposed to the cabinet Sunday a fiscal 1992 defense spending of 4,536.9 billion yen, up 3.4 percent over the fiscal 1991 initial budget, the lowest rise in 32 years.

The ministry's draft budget curbs the bullish shopping list submitted by the Defense Agency because of the disintegration of the Soviet Union and the resultant end of the cold war, a senior Finance Ministry official said.

The agency initially requested 4,621.8 billion yen for the fiscal year starting next April, up 5.4 percent from fiscal 1991.

The draft budget allocates defense spending of 0.938 percent of Japan's estimated gross national product (GNP) for fiscal 1992.

The ministry curtailed defense spending growth as the balancing act of the Soviet Union's collapse and the 22.75 trillion yen 1991-1995 defense spending program, which envisions an average annual increase of 3 percent, about half of the 5.4 percent annual increase in the 1986-1990 plan.

The Finance Ministry's proposed 3.4 percent rise in defense spending for fiscal 1992 would be the smallest year-on-year gain since the 0.6 percent rise of fiscal 1960, the year before the outlay's sudden leap to double-digit increases that went almost uninterrupted until 1979.

The ministry will conduct bargaining with Defense Agency officials this week on the defense spending proposal for a tug-of-war with the agency, which is expected to demand reviving some items cut from its list.

The cabinet is expected to approve the final draft budget December 28 and submit it to the Diet in the session starting next month.

"We decided to spurn the agency's shopping request for nine sets of expensive multiple launch rocket systems and two destroyers, 71 81-mm mortars, and 62 120-mm mortars, in view of the greater stability in the international security situation," the official said.

The ministry also cut in half a request for two firing units of Patriot missiles that stunned Iraq with their precise interceptions of Scud missiles during the Persian Gulf war earlier this year. One firing unit comprises four missiles and five launchers.

If approved, the budget would mark the third straight year defense spending has been held below 1 percent of GNP, the total value of the nation's goods and services. From 1987 to 1989 it exceeded the 1 percent threshold.

That ceiling, clamped by Former Prime Minister Takeo Miki in 1976, was abolished under the government of former Prime Minister Yasuhiro Nakasone.

The defense spending surpassed the 1 percent-of-GNP mark in the years under Nakasone and his successor Noboru Takeshita. But it came below the mark for two years by Prime Minister Kiichi Miyazawa's predecessor, Toshiki Kaifu.

The ministry boosted its annual allocation for shouldering some of the cost of maintaining U.S. forces stationed in Japan from 177.5 billion yen in fiscal 1991 to 207.0 billion yen in fiscal 1992 on a contract basis.

It would be the first time the so-called "friendly consideration" budget, designed to shoulder the financial burden for the U.S. military bases, had surpassed 200 billion yen.

That spending is aimed to help cement Japan-U.S. security relations under the Mutual Security Pact, government officials said.

Of the 207.0 billion yen total, 90.4 billion yen would be used to foot the payroll of Japanese workers on U.S. bases. An outlay of 108.5 billion yen would go to maintaining facilities on the bases.

The draft budget allocates an additional 8.1 billion yen for heating, water, and other utilities on the U.S. bases, he said.

Miyazawa Praises Draft Budget

OW2212041191 Tokyo KYODO in English 0350 GMT
22 Dec 91

[Text] Tokyo, Dec. 22 (KYODO)—Prime Minister Kiichi Miyazawa on Sunday is pleased with the fiscal 1992 draft budget submitted to an extraordinary cabinet session earlier in the day, government officials said.

Miyazawa praised the Finance Ministry for its thoughtful efforts in drawing up the draft under difficult financial circumstances, the officials said.

The prime minister also expressed his satisfaction with planned public works outlays to be financed by new construction bonds, they said.

He added that boosting fiscal investment and loan programs were "proper" capital requirement measures.

The Finance Ministry has decided to issue a maximum of 7,280 billion yen in construction bonds, up 36.3 percent from fiscal 1991. Maximum issuance would generate 10.1 percent of total revenue, it said.

Miyazawa also instructed cabinet ministers to finalize a budget draft through negotiations which will contribute to improved living standards, the officials said.

Government Sets 1992 Economic Growth Forecast*OW1912181691 Tokyo KYODO in English 1551 GMT
19 Dec 91*

[Text] Tokyo, Dec. 19 KYODO—The government Thursday said the nation's economy in fiscal 1992, starting April 1, will grow by 3.5 percent in real terms over the previous year.

As for fiscal 1991, the government revised its initial projection of 3.8 percent growth downward to 3.7 percent.

Takeshi Noda, director general of the Economic Planning Agency (EPA), will report the forecast to Prime Minister Kiichi Miyazawa on Friday morning. It will then be approved at a cabinet meeting on Saturday, government officials said.

According to the projection, external demand will act as a negative factor pulling the growth rate down by 0.1 to 0.2 percentage point, but domestic demand will cover the decline and push overall growth to 3.5 percent, it said.

The trade surplus in fiscal 1992 is predicted to be about 90 billion dollars, and the current account surplus to be around 70 billion dollars, staying below the levels of fiscal 1991.

In discussions on the 1992 real economic growth rate, the Finance Ministry, which had initially predicted 3.4 percent, eventually agreed with the Ministry of International Trade and Industry's 3.5 percent growth rate prediction.

The compromise reflected Miyazawa's hope for higher growth, as well as his concern over the recent cooling of corporate confidence, according to sources at the EPA.

Miyazawa Approves Forecasts*OW2012053791 Tokyo KYODO in English 0515 GMT
20 Dec 91*

[Text] Tokyo, Dec. 20 KYODO—Prime Minister Kiichi Miyazawa approved Friday morning the government's forecast the economy in fiscal 1992 will grow by 3.5 percent in real terms, or a nominal 5.0 percent, government officials said.

According to the projection reported by Takeshi Noda, director general of the Economic Planning Agency (EPA), the trade surplus in fiscal 1992, beginning next April, is estimated at 96.5 billion dollars, and the current account surplus at 71 billion dollars, both doubling from the initial estimate for fiscal 1991.

The percentage of current account surplus in nominal gross national product will be 1.9 percent, the officials said.

They said the government is aiming at sustainable growth with brisk domestic demand as the main booster, trying to avoid criticism Japan has alone enjoyed prosperity at the cost of other countries.

The government projects external demand in fiscal 1992 will act as a negative factor, pulling the economic growth rate down by 0.1 percentage point.

Consumer prices are projected to rise a moderate 2.3 percent as prices of fresh vegetables will stabilize after a recent spurt. Wholesale prices will decline 0.2 percent owing to stable oil prices and the yen's strength in foreign exchange dealings, the officials said.

The government, meanwhile, revised its economic growth forecast for fiscal 1991 downward to 3.7 percent from 3.8 percent.

Contribution of domestic demand to the growth was also revised downward to 2.8 percent from 4.0 percent, while that of external demand upward to 0.8 percent from a negative 0.2 percent.

The following is the breakdown of the government's economic growth forecast for fiscal 1992, and estimated results for fiscal 1991 with initial forecast in parentheses. The current account surplus and trade surplus are shown in billions of dollars.

	1992	1991
Real Economic Growth	3.5pc	3.7 pc
		(3.8 pc)
Contribution		
Domestic Demand	3.6pc	2.8 pc
		(4.0 pc)
External Demand	-0.1pc	0.8 pc
		(-0.2 pc)
Nominal Economic Growth	5.0pc	5.5 pc
Current Account Surplus	71.0	72.5
		(30.0)
Trade Surplus	96.5	98.5
		(56.0)
Wholesale Prices	-0.2pc	-0.4 pc
		(-0.1 pc)
Consumer Prices	2.3pc	2.9 pc
		(2.4 pc)

Indictments Made on Antimonopoly Law Violation*OW2012101991 Tokyo KYODO in English 0956 GMT
20 Dec 91*

[Text] Tokyo, Dec. 20 KYODO—Tokyo prosecutors said Friday they have indicted eight major medical firms and 15 of their officials on charges of violating the antimonopoly law for allegedly conspiring to fix prices of food wrapping materials.

The eight companies involved are Mitsui Toatsu Chemicals Inc., Mitsubishi Plastics Industries Ltd., Nippon Carbide Industries Co., Shin-Etsu Polymer Co., Denki

Kagaku Kogyo K.K., Hitachi Borden Chemical Products Inc., Riken Vinyl Industry Co., and Gunze Ltd., prosecution officials said.

The 15 personnel indicted were eight sales managers of the eight companies and seven executives of seven of the eight, excluding Gunze, they said.

The Tokyo High Public Prosecutors Office filed the indictment with the Tokyo High Court. Trials of anti-monopoly law violations are taken directly to a high court, not a district court.

The law sets a punishment of up to three years' imprisonment or a fine of up to 5 million yen for those found guilty of unfairly restricting trade.

The indictment says the eight companies conspired to raise prices of wrapping materials between May and July last year.

The seven executives are accused of participating in price-fixing negotiations.

In accordance with the negotiations, the indictment says, the eight companies raised the market price of wrapping materials by 150 yen per roll September 1 and again by 250 yen November 1.

The indictment marks the first time in 17 years that prosecutors have accepted charges against corporations and individuals for violation of the antimonopoly law.

In the last case, 17 years earlier, oil firms were charged with fixing oil prices following the 1973 oil crisis.

The legal action stemmed from criminal charges filed against the eight firms and 15 officials by the Fair Trade Commission (FTC) on November 6.

The FTC said it will order the eight companies to pay about 400 million yen in penalties on windfall profits they made through the price fixing.

Phasing Out Tariff on Crude Oil Recommended

OW1912151291 Tokyo KYODO in English 1355 GMT 19 Dec 91

[Text] Tokyo, Dec. 19 KYODO—A Finance Ministry advisory council recommended Thursday that the Japanese tariff on crude oil be phased out in 10 years and abolished in 2002.

Officials said the recommendation, made by the customs tariff council in a report submitted to Finance Minister Tsutomu Hata, was incorporated Thursday in the ruling Liberal Democratic Party's tax reform proposal for fiscal 1992.

The finance ministry, on the basis of the recommendation, is expected to prepare legislation for revising the tariff law for presentation to the next Diet session opening in January.

Under the proposal, the current tariff of 350 yen per kiloliter of crude oil would be reduced to 315 yen in fiscal 1992 and to 215 yen in fiscal 1997 before being abolished in fiscal 2002. The council also proposed that tariff on gasoline and other oil products would be reduced by 20 to 50 yen per kiloliter in fiscal 1992.

Revenues from the tariff on crude oil have been used to finance subsidies to the domestic coal mining industry.

The officials said the phasing out of the tariff would lead to the eventual abolition of subsidies to the coal mining industry.

Agreement Reached With Iran on Oil Prices

OW1912152091 Tokyo KYODO in English 1407 GMT 19 Dec 91

[Text] Tokyo, Dec. 19 KYODO—Japanese oil importers and the National Iranian Oil Co. (NIOC) on Thursday agreed on the prices of Iranian crude oil for the first quarter of 1992, industry sources said.

The price of Iranian light crude has been left unchanged from the present level—the price of Oman crude plus 20 cents per barrel, the sources said.

The price of Iranian heavy crude has been raised by 10 cents to the Dubai crude price minus 1.15 dollars, they said.

In negotiations, the Japanese importers were represented by Showa Shell Sekiyu K.K.

IJPC Oil Project Officially Terminated

OW2012154391 Tokyo KYODO in English 1230 GMT 20 Dec 91

[Text] Tokyo, Dec. 20 KYODO—Iran-Japan Petrochemical Co. (IJPC)'s multibillion yen petrochemical project in Iran, which never got off the ground due to the prolonged Iran-Iraq war, officially came to an end Friday.

Iran Chemical Development Corp. (ICDC), the Japanese side of the joint Iran-Japan project, held a stockholders' meeting Friday and approved a liquidation account for the IJPC project.

The liquidation was registered at the Tokyo Legal Affairs Bureau of the Justice Ministry.

ICDC consisted of five Mitsui Group companies—Mitsui and Co., Tosoh Corp., Mitsui Toatsu Chemicals, Inc., Mitsui Petrochemical Industries, Ltd., and Japan Synthetic Rubber Co.

ICDC has been moving to bring the project to an end since July when it received roughly 77.7 billion yen in trade insurance payments from the Ministry of International Trade and Industry after the project decided to be terminated.

Tying Indonesian Aid to Timor Withdrawal Urged
*OW2012104191 Tokyo KYODO in English 1017 GMT
20 Dec 91*

[Text] Tokyo, Dec. 20 KYODO—Tokyo's Chofu City assembly urged the Japanese Government Friday to tie future aid to Indonesia to that country's withdrawal of troops from East Timor.

In the first such action of its kind in the country, the assembly voted to urge the government to press Jakarta on withdrawing from the former Portuguese colony in the wake of last month's mass killings by Indonesian troops in the East Timor capital of Dili.

The assembly motion notes the "considerable sum" in Official Development Assistance (ODA) Japan extends to Indonesia. Japan, Jakarta's largest ODA source, has budgeted 240 billion yen for Indonesian ODA in fiscal 1991.

A Foreign Ministry spokesman said earlier this month that Tokyo may link its decisions on future economic aid to Indonesia with its assessment of Jakarta's investigation into the November 12 shootings.

The government in Jakarta has said troops fired in self-defense after provocation by an unruly crowd, killing 19. Eyewitnesses, including foreign reporters, claim as many as 180 mourners were gunned down.

Canada and the Netherlands have announced they will suspend approval of new aid projects because of the shootings.

Indonesia invaded East Timor in 1975 and annexed it the following year.

Human rights groups say as many as 200,000 of East Timor's 650,000 population may have died from war or famine since the annexation.

Mitsubishi, German Firm Announce Venture
*OW2012093791 Tokyo KYODO in English 0758 GMT
20 Dec 91*

[Text] Tokyo, Dec. 20 KYODO—Mitsubishi Corp., a major Japanese general trading house, said Friday it has concluded a sales collaboration agreement with Dornier Medizintechnik GmbH (DMT) of Germany to sell an instrument in Japan to break up stones, such as kidney stones and gallstones, in the body.

The Tokyo-based company said the agreement allows it to take over sales of the lithotripter instrument, named the MPL-9000, from DMT's Japanese subsidiary Dornier Medical Systems from January next year.

The annual sales target has been set at 5 billion yen, the company said.

The agreement is the second sales partnership between giant firms in Japan and Germany.

The Mitsubishi group has concluded an agreement with Daimler Benz of Germany to launch a joint venture for sale of Mercedes-Benz cars in Japan.

Firm Buys Uranium Ore From Australia, Canada
*OW2012132691 Tokyo KYODO in English 1238 GMT
20 Dec 91*

[Text] Fukuoka, Dec. 20 KYODO—Kyushu Electric Power Co. announced Friday it has purchased a total of 3,850 short tons of uranium ore concentrate, known as yellow cake, from Australia and Canada at the price of about 18 billion yen.

This brings the total amount of uranium ore concentrate the firm has secured to 12,500 short tons, nearly equivalent to the amount of yellow cake necessary to fuel a total of six atomic power plants up to the year 2000.

The company is now operating four atomic power plants—two at Genkai in Saga Prefecture and two at Sendai in Kagoshima Prefecture.

The company has two more atomic power plants under construction in Genkai. One plant is scheduled to go into operation in March 1994 and the other in July 1997.

When the two new plants start operation, the firm estimated it will require a total of 12,800 short tons of yellow cake for operation up to the year 2000.

Yellow cake is the raw material used to make nuclear fuel used in atomic power plants.

Venture With U.S., PRC To Make Sheet Glass
*OW1912095791 Tokyo KYODO in English 0847 GMT
19 Dec 91*

[Text] Tokyo, Dec. 19 KYODO—Asahi Glass Co. announced Thursday it has agreed to tie up with PPG [Pittsburgh Plate Glass] Industries Inc. of Pittsburgh, Pennsylvania, to produce sheet glass in China.

Officials said Asahi will acquire a 25 percent stake in China's Guangdong Float Glass Co., which was established in 1985 by a PPG subsidiary and Chinese authorities.

They also said Asahi is considering participation in a sheet glass production project in Dalian that PPG is negotiating with Chinese authorities.

PPG, a major U.S. glass manufacturer based in Pittsburgh, has been looking for a partner in entering the Chinese market, while Asahi has been hoping to establish a foothold in the Asia-Pacific market, the officials said.

Guangdong float glass, with 1990 sales of 6 billion yen, produces 500 tons of sheet glass a day under a PPG production license, the officials said.

Brazil Orders Digital Communication System

*OW1912022891 Tokyo KYODO in English 2334 GMT
18 Dec 91*

[Text] Tokyo, Dec. 19 KYODO—NEC Corp. has received a satellite digital communications system order said to be worth more than 1 billion yen from a Brazilian public corporation, NIKKAN KOGYO SHIMBUN reported Thursday.

It was the first order Brazil has placed for such a system, which is considered one of the largest orders in the field, the report said.

NEC's strength in high-grade digital exchange terminals helped the company win the bid from Empresa Brasileira de Telecomunicacoes SA (Embratel), the newspaper said.

The system will be used for a planned satellite communications network in the Amazon region, where a land network would be difficult to construct, it said.

NEC hopes to start shipping the system next fall, the paper said.

North Korea

Government To Sign Nuclear Safeguards Accord

*SK2212234891 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 22 Dec 91*

[Statement released by unidentified Foreign Ministry spokesman in Pyongyang on 22 December]

[Text] The Government of our Republic has consistently demanded that all nuclear weapons be removed from South Korea, that a source of nuclear war be removed and that the Korean peninsula be turned into a nuclear-free zone.

In his 18 December announcement on denuclearizing the Korean peninsula [hanbando], the person in charge of South Korea said that not a single nuclear weapon exists in South Korea.

If, as the person in charge announced, U.S. nuclear weapons have been completely withdrawn from South Korea and if there are no nuclear weapons in South Korea, we welcome this, because it means the consistent and just demand by the government of our Republic has been fulfilled at last. This is a great victory for our nation which has steadfastly struggled to remove U.S. nuclear weapons from South Korea and to remove the danger of nuclear war. One problem, however, is that the United States itself—which has full control over all the nuclear weapons in South Korea—has not made an official notification or announcement on the withdrawal of its nuclear weapons.

The United States produces nuclear weapons and deploys and maintains them in South Korea. The United States also has the right to use and withdraw them. The

United States, the owner of the nuclear weapons, is keeping silent. Therefore, upon only hearing what the person in charge of South Korea, who has no right to decide on the nuclear weapons, said, we cannot know for sure whether the nuclear weapons have been withdrawn.

Because it has now been made public that there are no nuclear weapons in South Korea, however, we declare that, on the assumption that the United States will announce its clear position, we will sign the nuclear safeguards accord as stipulated in the treaty on the nonproliferation of nuclear weapons and will receive inspection according to the relevant procedures.

We would like to make clear once again that, when our country receives inspection under the nuclear safeguards accord, the inspection must be conducted simultaneously in South Korea to verify whether there are U.S. nuclear weapons there, as we have already demanded and as the South Korean side has agreed.

It has become clear to everyone that, for simultaneous inspection to occur, we must negotiate with the United States as a matter of course, as this country deployed the nuclear weapons in South Korea. These talks must discuss all pertinent issues and the issue of removing the nuclear threat.

After we advanced the proposal that the Korean peninsula be turned into a nuclear-free zone, the South Korean side made an announcement on denuclearization as well. It also said that there are no nuclear weapons in South Korea. Therefore, we demand that the North and South jointly adopt a declaration on turning the Korean peninsula into a nuclear-free zone as soon as possible without delay.

22 December 1991

Pyongyang

South Urged To Implement Reconciliation Accord

*SK2112044191 Pyongyang KCNA in English
0413 GMT 21 Dec 91*

[Text] Pyongyang December 21 (KCNA)—The South Korean authorities should not follow in the wrong footsteps of the past since they signed the agreement and honestly implement its provisions in conformity with the will of the nation.

Entertaining great expectations of "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South", our people will watch with keen interests how the South Korean authorities implement it.

Chong Tu-hwan, presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, said this in a statement to the press Friday regarding the adoption of the agreement at the fifth North-South high-level talks.

He further said: The adoption of the agreement is a victory of the line of great national unity over the line of confrontation. It is a brilliant fruition of the idea of the great leader and our party on national unity and a demonstration of its great vitality.

There is no doubt that when the articles on nonaggression, cooperation and exchange are implemented, both sides respecting each other's system, refraining from mutual slander, interference in the other's internal affairs, subversive activities and sabotage, true to the agreement adopted by the North and the South, the North-South relations will be turned into relations of reconciliation and unity of the same nation from the political and military confrontation hitherto.

If the agreement is to be made to pay off, not falling short of the expectation of the whole nation and people of the world, both sides should put the provisions of the agreement into practice faithfully and honestly without fail in good time.

For the present the South Korean authorities should show sincere attitude at the delegates' contact for denuclearisation of the Korean peninsula slated in December at Panmunjom.

They should not stage the "Team Spirit 92" joint military exercises which may cast to the four winds the agreement adopted by the sides, not incriminate those who call for reunification through alliance with communism and the North and take a resolute step to unconditionally and immediately release the visitors to the North and pro-reunification patriotic figures under arrest.

Trade Union Leader Views Nonaggression Pact

SK2212083591 Pyongyang KCNA in English
0807 GMT 22 Dec 91

[Text] Pyongyang December 22 (KCNA)—The North and the South must honestly and faithfully implement the agreement including nonaggression whose implementation they promised to all the fellow countrymen and the world.

Won Tong-ku, chairman of the Central Committee of the General Federation of Trade Unions of Korea, said this in a statement issued to the press Saturday [21 December] regarding the adoption of "agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South" at the fifth North-South high-level talks.

He further said: The North and South Korean authorities vowed nonaggression through the agreement. This has opened up a dramatic phase in creating solid preconditions for the peaceful reunification of the country by removing the source of distrust between the North and the South, promoting national reconciliation, averting the danger of war and guaranteeing peace.

What is important at this juncture is to bring earlier reunification in the 90s by turning the excellent agreement into reality. To this end, the North and South Korean authorities must, first of all, take practical measures for guaranteeing nonaggression, not confining themselves to promising it.

The North and South, as stipulated in the agreement, should form a North-South joint military committee as soon as possible and take concrete steps to build military confidence and realize disarmament so that nonaggression could be ensured practically. The South Korean authorities should show a sincere attitude to finally remove nuclear weapons from the Korean peninsula, not pursuing any sinister purpose at the contact between delegates of both sides for discussing the nuclear problem slated in December.

The South Korean authorities must no more step up arms buildup or stage war exercises that lay obstacles in the way of observing nonaggression. For the present they should cancel the large-scale "Team Spirit 92" joint military exercises they intend to stage with the United States early next year.

Paper: U.S. Has 'Ambition for Dominating Asia'

SK2212085591 Pyongyang KCNA in English
0817 GMT 22 Dec 91

[Text] Pyongyang December 22 (KCNA)—Bush, Baker, Cheney and other U.S. authorities recently revealed more undisguisedly their ambition for dominating Asia and the Pacific. This tells that they attach greater importance to this region in executing their world strategy and there is no change in the aggressive nature of the U.S. imperialists, stresses NODONG SINMUN Saturday [21 December].

The paper says:

The U.S. imperialists' policy of attaching importance to Asia and the Pacific constitutes part and parcel of their world strategy to establish a "new order of the world" after the "end of cold war."

Having voiced cheers at their "success" in the anti-communist, anti-socialist policy in Europe, the U.S. imperialists direct the sharp edge of the anti-communist, anti-socialist strategy against the Eastern hemisphere and set it as the first task in establishing a "new order of the world" to contain the socialist countries in this region and a most urgent demand to realize domination over and control of Asia and the Pacific.

They stress the policy of attaching importance to this region because it is all the more important in realizing their unbridled greed for lording it over as the "sole dominator" and "ruler" to seize this region militarily and economically.

Contending that the "greatest threat" to the global stability and the U.S. interests at present is "regional crisis", they are crying that Asia and the Pacific are

fraught with "regional crisis" and the "most dangerous" region is none other than the Korean peninsula. And they have defined it as the national strategy of the United States to cope with the "regional crisis" "quickly and effectively" and worked out a "new military strategy" to this end. According to this military strategy, the U.S. imperialists have deployed in the forward area huge armed forces and military bases in Asia and the Pacific and are heightening tension on the Korean peninsula to make a new hot spot. By doing so, the U.S. imperialists are trying to find an excuse for preserving huge military forces and munition industry and continuing to increase military expenditure.

Raising a hue and cry over the fictitious "threat of nuclear weapon development" these days, they are intensifying an unprecedented military threat and blackmail against us. This is motivated by their intention to unleash another war against the North, keep vast military forces and munitions industry and on this basis, establish a "new order of the world" with strength.

Military Says U.S. Air Force Holds Exercises

SK2112045191 Pyongyang KCNA in English 0420 GMT 21 Dec 91

[Text] Pyongyang December 21 (KCNA)—The U.S. Pacific Airforce Command staged a criminal nocturnal aerial war exercise against the North in the sky above South Korea Thursday, according to military sources.

Mobilized in the exercise were fighter-bombers based overseas and more than 200 fighter planes under the U.S. Airforce occupying South Korea and the puppet airforce.

The U.S. imperialists sent a U-2 high-altitude strategic reconnaissance plane and an Army tactical reconnaissance plane to the air above the Military Demarcation Line [MDL] on several occasions on December 18 and 19 for intensive aerial espionage against the northern half of Korea.

On the same day, some 30 armed helicopters and transport helicopters belonging to the U.S. and puppet airforces staged exercises of air strike at ground targets, nocturnal airlifting of "commandoes" and supply of combat materials to them.

Fighter bombers, assault, reconnaissance, observation and transport planes, helicopters and other warplanes belonging to the U.S. and puppet airforces mobilized in the aerial military exercises in the air above South Korea under various names numbered more than 550.

In another action, 105 mm artillery units of the puppet army fired more than 100 shells at random in an area adjacent to the demilitarized zone along the MDL and armed bandits of the puppet army threatened us, firing 12.7 mm large-calibre machine guns and M-16 automatic rifles.

The puppets staged an exercise of chemical warfare and a "civil defence" war exercise on the same day.

No Tae-u's Call for Readiness Seen 'Provocative'

SK2312052891 Pyongyang KCNA in English 0456 GMT 23 Dec 91

[Text] Pyongyang December 23 (KCNA)—No Tae-u cried for "perfect combat readiness of the army" while "inspecting" puppet army bases in the central sector of the front on December 21, according to a radio report from Seoul.

This is a very provocative agitation of invasion of the North.

We are angered particularly at the fact that he, trying to justify his war agitation, alleged that the North "is building up military strength", setting 1995 as the year of reunification.

It is well known to the world that 1995 has been set as the year of reunification by the unanimous resolution of the 70 million fellow countrymen in the North and the South and overseas who aspire after independent and peaceful reunification. This resolution was reaffirmed in "the joint resolution of the second pan-national rally for peace and reunification of the country", which was made public simultaneously in Panmunjom, Seoul and Tokyo on August 15.

People in the northern half of the country are making all sincere efforts to bring this reunification resolution into practice and, these efforts culminated in the adoption of "agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South" at the fifth inter-Korean high-level talks.

Nevertheless, No Tae-u, while inspecting the frontline, abused the resolution of the fellow countrymen for peaceful reunification and our efforts for its realization.

This provocative act committed before the ink was dry on the agreement just signed shows how indiscreetly the South Korean puppet clique are running about to throw a wet blanket over the earnest desire for reunification growing among the South Korean people after the adoption of the agreement, frightened by it.

The South Korean ruling quarters, however, can never attain their anti-national purpose nor block the powerful advance of the 70 million fellow countrymen towards 1995, the year of reunification.

Paper on Fighting in South's National Assembly

SK2112045891 Pyongyang KCNA in English 0425 GMT 21 Dec 91

["South Korean 'National Assembly', Theatre of Rowdiness"—KCNA headline]

[Text] Pyongyang December 21 (KCNA)—The last "regular session of the 13th National Assembly" of South Korea closed with a one-party show of the "Democratic Liberal Party" [DLP].

Commenting on this, an analyst of NODONG SINMUN today says:

When the "DLP" railroaded a "motion of autumn grain purchase", a "special bill on the development of the Cheju Island", etc. By surprise through the session on its last day, a fierce fist fight erupted between the ruling and opposition "assemblymen", an opposition "assemblyman" was assaulted by a ruling "assemblyman" to be carried to a hospital and the "National Assembly speaker" had his glasses broken.

The "DLP" is threatening that those opposition "assemblymen" who "assaulted" the "speaker" and the ruling "assemblymen" would be referred to the "ethics committee of the National Assembly" and urging the "government" to take a legal action against them, while the puppet supreme public prosecutor's office, singing duet with it, is blaring that it would examine a "legal action".

Disgusted at the one-party show of the "DLP", a South Korean intellectual in an article contributed to the South Korean newspaper HANGUK ILBO said: "the unconstructive surprise act and violence which are too shameful to describe in detail are a self-portrait of the 13th 'National Assembly'. The 'parliamentary democracy' in South Korea is now at the doorstep of death, sentenced to death."

Not without reason did world public opinion compare the South Korean "National Assembly" session to the "American-style football" which ends with a fight.

The "DLP" should not dare talk about "parliamentary democracy".

Daily Criticizes South's Cabinet Reshuffle

SK2212084391 *Pyongyang KCNA in English*
0828 GMT 22 Dec 91

[Text] Pyongyang December 22 (KCNA)—No Tae-u on December 19 carried out a "cabinet reshuffle" which involved replacement of some "ministers and agency directors" of the puppet administration including the "minister of defence," the "minister of culture" and the "minister of sports, youth and children."

NODONG SINMUN today brands the newly appointed "ministers" as hand-raised underlings of No Tae-u and military fascist gangsters dwarfing their predecessors.

The news analyst says:

Most of the new "ministers" are No Tae-u's close associates or those who played the role of his minions, hanging around him.

No Tae-u's "cabinet reshuffle" is nothing but a political intrigue to bridge over the ever worsening crisis of the

fascist rule, readjust and strengthen the ruling system and remain long in power by making the "parliamentary elections" and "presidential elections" next year a monopoly show of the "Democratic Liberal Party."

To fill the posts of the puppet administration and "Chongwadae" [presidential residence] with more vicious military fascists and his hand-raised servants through a "cabinet reshuffle" is an old game employed by No Tae-u to bridge over the ruling crisis and maintain his power. This is well illustrated by the fact that over the three years or more since he took office, the traitor has carried out "cabinet reshuffles" 24 times and changed more than a hundred hirelings.

The latest "cabinet shakeup" of No Tae-u, like the previous ones, is a product of the crisis of his power driven into a tight corner.

No is trying to find a way out of the crisis in putting fresh muscles into the fascist repressive system and, therefore, he staged the "cabinet reshuffle" on the threshold of new year while hastening his collusion with the forces of the "Fifth Republic" dictatorship.

The No Tae-u ruling group must discard the foolish dream of remaining long in power and immediately step down as demanded by the people.

This is the only way out for them.

O Chin-u Cables Yugoslav Defense Secretary

SK2112103491 *Pyongyang KCNA in English*
1003 GMT 21 Dec 91

[Text] Pyongyang December 21 (KCNA)—Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to General Veljko Kadijevic, federal secretary for national defence of the Socialist Federal Republic of Yugoslavia.

The message warmly congratulates the federal secretary for national defence and the officers and men of the Yugoslav People's Army upon its founding anniversary in the name of the officers and men of the Korean People's Army.

Expressing the belief that the friendly and cooperative relations between the armies of the two countries will further develop in mutual interests in the future, the message wishes him success in his responsible work.

O Chin-u Cables Vietnamese Defense Minister

SK2112104191 *Pyongyang KCNA in English*
1006 GMT 21 Dec 91

[Text] Pyongyang December 21 (KCNA)—Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to General Doan Khue, minister of national defence of the Socialist Republic of Vietnam, on the occasion of the 47th anniversary of the founding of the Vietnamese People's Army.

Expressing the belief that the friendly and cooperative relations between the peoples and armies of Korea and Vietnam will further expand and develop in the future, the message sincerely wishes the minister of national defence and the officers and man of the Vietnamese People's Army greater success in their responsible work to increase the defence capabilities of the country and defend the gains of socialism.

SRV Foreign Ministry on Reconciliation Accord

*SK2112041991 Pyongyang KCNA in English
0404 GMT 21 Dec 91*

[Text] Pyongyang December 21 (KCNA)—A spokesman for the Foreign Ministry of Vietnam at a regular news briefing on December 19 said the adoption of the Agreement on Reconciliation, Nonaggression, Cooperation and Exchange between the North and the South of Korea is a positive success conducive to the stability in North-east Asia and the Asian-Pacific region, according to a report from Hanoi.

Vietnam fully supports the Korean people's efforts for peaceful reunification, the spokesman stated.

Vice President Meets PRC Union Delegation

*SK2012112991 Pyongyang KCNA in English
1028 GMT 20 Dec 91*

[Text] Pyongyang December 20 (KCNA)—Vice-President Yi Chong-ok met and had a friendly talk here today with a delegation of the All-China Federation of Trade Unions led by its Vice-President Wang Houde.

The head of the delegation said that the great leader of the Korean people Comrade President Kim Il-song and the great leader of the Chinese people Comrade Mao Zedong provided the invincible friendship between China and Korea.

The Chinese people revered respected Comrade Kim Il-song as their own leader when he visited China, he said, and noted: I deem it a great pride to have such great people as the Korean people as their close brothers.

Saying that he witnessed the achievements made by the Korean people in socialist construction while staying in Korea, he stressed that the Chinese people rejoice as over their own over the achievements made by the Korean people in socialist construction under the wise guidance of respected Comrade President Kim Il-song.

Nations Support Effort To Treat Honecker

*SK2312103991 Pyongyang KCNA in English
1015 GMT 23 Dec 91*

[Text] Pyongyang December 23 (KCNA)—The humanitarian steps taken by the Democratic People's Republic of Korea to render medical assistance to Erich Honecker, former leader of the German Democratic Republic, at

his request have evoked great repercussions upon the public of different countries.

Foreign political parties, public organizations and political and public figures in their solidarity letters and messages to the C.C. [Central Committee], the Workers' Party of Korea and their Korean counterparts and in statements said the DPRK's steps enjoy welcome and support from world people who value human rights and humanitarianism.

World public circles are calling upon the authorities concerned to affirmatively respond on the principle of humanitarianism to the offer of the DPRK to bring him to Pyongyang for medical treatment before his illness takes a turn for the worse.

Foreign media have reported about the statement of a spokesman for the DPRK Ministry of Public Health, letters of the DPRK Foreign Ministry to the Soviet minister of external relations and the Russian foreign minister and articles concerning the problem of Honecker's medical treatment.

Kim Il-song Greet Japanese Social Democrats

*SK2212084791 Pyongyang KCNA in English
0824 GMT 22 Dec 91*

[Text] Pyongyang December 22 (KCNA)—The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, Saturday [21 December] sent a message of greetings to Makoto Tanabe upon his reelection as chairman of the Central Executive Committee of the Japan Social-Democratic Party.

Comrade Kim Il-song said in the message:
Your reelection as chairman, Mr. Makoto Tanabe, is an expression of deep trust of your entire party members in you.

I rejoice over the fact that your party is always expressing firm solidarity with our people in the just struggle for the independent and peaceful reunification of the country and making energetic efforts for the development of friendly relations between the peoples of Korea and Japan.

Expressing the belief that the traditional relations of friendship and cooperation between our two parties will continue to develop favorably in the future, I on this occasion wish you good health and greater successes in your responsible work for the strengthening and development of your party.

Kim Il-song Receives Ivorian Envoy's Credentials

*SK2012110491 Pyongyang KCNA in English
1016 GMT 20 Dec 91*

[Text] Pyongyang December 20 (KCNA)—The great leader President Kim Il-song on December 20 received

credentials from Anet-N'zi Nanan Koliabo, new ambassador extraordinary and plenipotentiary of the Republic of Cote d'Ivoire to Korea.

Present on the occasion were Vice-Premier and Foreign Minister Kim Yong-nam and an official of the embassy of Cote d'Ivoire.

President Kim Il-song had a conversation with the ambassador after receiving the credentials.

'Arafat Sends Thank-You Message to Kim Il-song

SK2112120791 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 20 Dec 91

[“Thank-you message to DPRK President Kim Il-song, from Yasir 'Arafat, chairman of the PLO Executive Committee, on 20 December—read by announcer]

[Text] Pyongyang
Comrade DPRK President Kim Il-song
My great friend Comrade Kim Il-song:

On leaving your beautiful country, I express my sincere appreciation to you for having extended a warm welcome and hospitality to me and our delegation.

Our successful talks with you, Comrade President, have further consolidated relations of friendship, cooperation, and unity between the Korean and Palestinian revolutions.

I hope that you, who are leading your country's people, who are of the same race, will enjoy a long life and good health and make greater achievements in your work.

I extend warmest greetings to you, your friendly party and government, and your country's militant people.

Yasir 'Arafat, president of the Palestinian state and chairman of the PLO Executive Committee
20 December 1991

KCNA Reviews 21 Dec Pyongyang Press

SK2112051491 Pyongyang KCNA in English 0430 GMT 21 Dec 91

[Press review]

[Text] Pyongyang December 21 (KCNA)—Papers here today carry photo-accompanied reports that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, called on Comrade Yasir 'Arafat, president of the State of Palestine, chairman of the Executive Committee of the Palestine Liberation Organisation and commander-in-chief of the Palestine Revolutionary Armed Forces, at the guest house and the delegation of the State of Palestine led by President Yasir 'Arafat left here.

Appearing in the press is a message of thanks to President Kim Il-song from President Yasir 'Arafat.

The great leader President Kim Il-song received credentials from the new ambassador extraordinary and plenipotentiary of Cote d'Ivoire to Korea, says the press.

NODONG SINMUN informs the readers that meetings of scientists and technicians were held across the country to vow to carry through the highly important tasks set out in the dear leader Comrade Kim Chong-il's work “Let Us Effect a New Turn in Scientific and Technological Development” and a seminar on his work “Let Us All Live and Struggle Like Heroes” was held in India.

“Revolutionary Outlook on Organisation is Noble Trait of Members of the Workers' Party of Korea” is the title of an article of the paper.

Papers convey achievements in different domains of the national economy including the vigorous progress of the second-stage project of the tramway in the capital.

It is reported in NODONG SINMUN that the Syrian president met a DPRK Government economic delegation, the King of Nepal met the DPRK ambassador to his country, the newly-appointed DPRK ambassador extraordinary and plenipotentiary presented his credentials to the governor general of Belize, and the taekwondo federation was formed in Madagascar.

Appearing in the press are a statement issued by Chong Tu-hwan, presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, hailing the “Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South”, and reaction to the agreement at home and abroad.

NODONG SINMUN comments on the one-party show of the “Democratic Liberal Party” at the last “regular session” of the 13th “National Assembly” of South Korea.

The paper convey foreign public voices strongly demanding an early return of old man Yi In-mo, a former war correspondent of the Korean People's Army, to the northern half of the country.

Under the title “Korean-style Socialism Centering on the Masses, Embodiment of the Chuche Idea” the paper reports that public figures of various countries highly praised our peculiar socialism.

The press conveys public voices of different countries demanding the withdrawal of nuclear weapons from South Korea.

Papers give an account of the formation of the revolutionary fighters' society in Cuba, various moves in the Soviet Union on the establishment of a commonwealth of independent states and the situation of Yugoslavia.

Former Tanzanian president called for the unity of East African countries and developing countries are strengthening cooperation in various fields, says NODONG SINMUN.

The paper introduces achievements of working people of Cuba in socialist construction.

"'New 'world order' Doctrine of U.S. Imperialists and Their Asia-Pacific-oriented Policy" is the title of an article of the paper.

South Korea

Government Rebuts DPRK's Nuclear Statement

SK2312094291 Seoul YONHAP in English 0910 GMT
23 Dec 91

[Text] Seoul, Dec. 23 (OANA-YONHAP)—South Korea, in a point-by-point rebuttal of a North Korean statement, said Monday that signing a nuclear safeguards accord was an obligation and urged Pyongyang to bring a "sincere attitude" to Thursday's inter-Korean negotiations.

The South Korean Foreign Ministry spokesman said that North Korea's signing nuclear safeguards accord with the International Atomic Energy Agency (IAEA) and accepting outside inspection were a "natural" action for a member of the Nuclear Non-proliferation Treaty (NPT).

South Korea expected North Korea not only to sign the accord but to ratify and fully implement it, he said.

North Korea in a Foreign Ministry statement Sunday said it would sign and accept outside inspection on condition that the United States officially notified it of the complete withdrawal of nuclear weapons from the South.

It also demanded simultaneous inspection to verify the absence of nuclear weapons in South and North Korea and said negotiations on such inspections should be between Pyongyang and Washington, as the owner of the weapons.

The rebuttal noted that simultaneous inspection was proposed during inter-Korean prime ministers' talks earlier this month.

"We wish to repeat that simultaneous inspection can be conducted as long as North Korea accepts the proposal," it said.

On Pyongyang's demands to talk directly with Washington, the South said this ran counter to the inter-Korean agreement signed at the prime ministers' talks.

"Such a demand is counter to the principle contained in the inter-Korean agreement that South and North Korea solve all peace and national unification issues independently between themselves.

"We expect North Korea to come to the Dec. 26 nuclear talks at the truce village of Panmunjom with a sincere attitude for successful resolution of the nuclear problem on the Korean peninsula," it said.

North Proposes Joint Building of Industry Complex

SK2112000591 Seoul THE KOREA TIMES in English
21 Dec 91 p 1

[Text] North Korea has proposed to the South to jointly construct a large industrial complex (scaled at 6.6 million square meter) near Haeju in the southwestern coast of the North, government sources said yesterday.

The sources said the North expressed its hope to combine the capital and technology of the South with cheap labor of the North in the construction of the complex.

The proposal has been delivered to the Seoul government and private businesses by the North to sound out the intentions of the South, the sources said.

The Northern side intends to house textile and electronics plants at the complex in Haeju, Hwanghae-do, northwest of the demilitarized zone (DMZ).

In describing the location of the proposed complex, a government official said, "The region is a short distance away from South and is accessible by sea and land transportation. It has a natural harbor situated close to the exports market, such as Hong Kong and China."

It is reported that Pyongyang has offer [as published] to draw up the details at the earliest working-level talks.

The sources said the South has received the proposal and is studying its feasibility. In particular, the authorities have discussed the possibility with individual businesses, the Electronic Industries Association of Korea and the Korea Federation of Textile Industries.

The government is considering answering the North Korean proposal, after reviewing the results of its feasibility studies.

This is the first time that North Korea has proposed to the South to jointly construct an industrial complex in the North. Earlier, the South offered to construct "a peace city" and a similar industrial complex in the DMZ area.

President No Tae-u Stresses 'Defense Readiness'

SK2112035191 Seoul YONHAP in English 0255 GMT
21 Dec 91

[Text] Seoul, Dec. 21 (YONHAP)—President No Tae-u said Saturday perfect defense readiness was the key to peaceful unification.

Visiting air and naval bases in the central frontline near the demilitarized zone, No said the Armed Forces should try their best to foster a future-oriented combat ability.

"We can't rule out the possibility of a dictator-ignited war like the Gulf conflict and the Army should bear in mind that North Korea has been building up its military power with a unification target date of 1995," No said.

No said the Armed Forces were called on to conduct their duty more faithfully because the country faces

social and economic difficulties next year due to rounds of elections and traumas arising from liberalization and democratic processes.

Government Opposes Uruguay Round Draft Agreement

SK2112054291 Seoul YONHAP in English 0525 GMT 21 Dec 91

[Text] Seoul, Dec. 21 (YONHAP)—The South Korean Government has decided to oppose a draft agreement for the Uruguay Round unveiled in Geneva Friday by Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT).

Officials at the Economic Planning Board (EPB) said Saturday the government could not accept the draft agreement because it does not recognize an exception for trade in rice and other farm products. The government will have to oppose the draft in order to protect Korean farmers, the officials said.

GATT plans to present the draft to the Uruguay Round's Trade Negotiation Committee (TNC) on Jan. 13 after asking each country to study and explain its position on the proposal, they said.

Observers say Dunkel's proposal was not likely to break any deadlock in the Uruguay Round, especially in such areas as agricultural, textile, service industries and copyrights issues although there are some areas in which negotiators for the global trade talks have reached agreements.

South Korea hopes to coordinate with Japan, Canada, Switzerland and other major importers of farm products to block the passage of the proposal calling for tariffication without exception—the replacement of non-tariff trade barriers with tariffs—on rice imports.

The officials said the government also plans to study in details the results of negotiations in seven areas of the draft agreement, assessing the reactions of every country in order to work out its strategy for the upcoming talks of the Uruguay Round.

U.S. Congressman Solarz Arrives in Seoul

SK2212031291 Seoul YONHAP in English 0258 GMT 22 Dec 91

[Text] Seoul, Dec. 22 (OANA-YONHAP)—U.S. Rep. Stephen J. Solarz, who has recently visited Pyongyang to discuss nuclear issues with North Korean leaders, flew to Seoul Saturday night and will explain the discussion to President No Tae-u Monday.

Solarz, chairman of the subcommittee on Asian and Pacific affairs in the House of Representatives, visited the North Korean capital on Dec. 17-19 and met with North Korean leader Kim Il-song and other officials, including Foreign Minister Kim Yong-nam, to hold formal talks on nuclear question.

He meets South Korean Foreign Minister Yi Sang-ok Sunday to disclose the results of his talks in Pyongyang.

Kim Chong-hui, presidential adviser on diplomacy and national security and Kim Tae-chung, co-chairman of the leading opposition Democratic Party.

On Monday, the congressman will meet the press, brief President No his conversation with Pyongyang leaders and call on Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party.

Solarz's trip of Pyongyang marked the first time an American or Western official had formally discussed nuclear matter with North Korean leader since the nuclear topic arose in recent months.

Relays North's Conditions for Inspection

SK2212090691 Seoul YONHAP in English 0828 GMT 22 Dec 91

[Text] Seoul, Dec. 22 (YONHAP)—North Korean leader Kim Il-song offered to sign an agreement opening its secret nuclear facilities to outside inspection once Pyongyang gets strong assurances that Washington completed the withdrawal of its nuclear weapons in South Korea, a visiting U.S. congressman said Sunday.

In a working breakfast meeting in Seoul, Rep. Stephen J. Solarz, (D-N.Y.) and chairman of the subcommittee on Asian and Pacific affairs in the House of Representatives, relayed Kim's remarks to South Korean Foreign Minister Yi Sang-ok.

North Korea demanded a simultaneous inspection of American military bases in South Korea as a condition for allowing international scrutiny of its research reactor at Yongbyon, some 90 kilometers north of Pyongyang, and proposed direct contacts with the United States for further discussion, Solarz was quoted as saying.

Pyongyang officials also maintained that they meet primarily with American counterparts to discuss replacement of the current truce agreement with a peace regime, the congressman said.

Unification Church Denies U.S. Investment Report

SK2112131191 Seoul YONHAP in English 0953 GMT 20 Dec 91

[Text] Tokyo, Dec. 20 (YONHAP)—A key leader of the Unification Church has denied a press report in Japan that the Rev. Moon Sun-myung, founder of the church, agreed during a recent visit to Pyongyang to invest 3 billion U.S. dollars in North Korea.

Pak Po-hi, president-publisher of THE SEGYE TIMES, a vernacular daily affiliated with the church, said in a telephone conversation with YONHAP NEWS AGENCY that Moon never gave a definite answer to North Korean President Kim Il-song's request for the church's mediation for a meeting between him and U.S. President George Bush.

He said, "we didn't go into detail about the scale of investment in talks with North Korean officials."

Regarding the SANKEI report on Friday that Kim gave Moon a personal letter for U.S. President George Bush, Pak said, "he (Moon) was never given the like of a message."

Pak, who accompanied Moon in his week-long visit to North Korea from Nov. 30, is now staying in Hong Kong. Moon had left for the United States upon arrival in Hong Kong from Pyongyang to attend a gathering hosted by his church.

Editorial Views Hopes, Opportunity of Bush Visit

*SK2212112191 Seoul KYONGHYANG SINMUN
in Korean 22 Dec 91 p 3*

[Editorial: "The Hidden Meaning of Bush's Planned Visit to the ROK"]

[Text] U.S. President Bush's visit to the ROK in the beginning of the next year rubs on our nerves more than ever. He is likely to come up with strong demands that may add to our economic burden. A visit to our country by the head of state from our traditional ally is very delightful and encouraging. During his visit to our country, leaders of our two countries will discuss a wide range of issues related to preserving peace in the region, including the pending issue of guaranteeing security on the Korean peninsula. However, a close examination of what he said during a news conference prior to his visit to four Asian and Pacific countries, Australia, Singapore, Korea, and Japan, shows that he is stressing U.S. national interests too much to the point where it raises strong vigilance in us.

Coming straight to the point, he strongly called on the Asian countries to open up their markets, going so far as to suggest that the Asian countries cooperate with the United States so as to create jobs for Americans. He even mentioned the need for the Asian countries to pay back what they owe to the United States for helping to achieve economic growth, suggesting that it is time for them to help the United States.

Of course, we are well aware of the situation in which U.S. President Bush finds himself. Although he was very successful in his foreign policy, he is ridiculed and criticized by American people for his domestic policy. The worsening economic situation is causing his popularity to plummet daily.

He needs a reinvigorated U.S. economy if he is to be reelected. It is not an exaggeration to say that he has chosen the four Asian-Pacific countries as part of his effort to find a way out of the economic trouble.

It must be admitted that U.S. economic development is vital to global stability. Nevertheless, the development of the U.S. economy should not be allowed to take precedence over world economic development. U.S. economic prosperity cannot be achieved at the expense of the Asian-Pacific countries. Long gone are the days when the United States could bear down on the Asian countries. The issue of market opening should be pursued and

made to succeed within the framework of United States' and Asian countries' co-prosperity.

It is nothing but self-righteousness to measure Asian economies with the U.S. yardstick. The United States should know that if the Asian countries balk at U.S. policy as such, calling it economic imperialism or economic hegemonism, it will only hurt the United States economically.

On the other hand, we still pin great hopes on President Bush's visit to our country in terms of security. His confirmation of President No Tae-u's "declaration that there are no nuclear weapons in the ROK" by saying that he has no intention to "argue with him" sounds very meaningful to our ears. By saying so, he has, in fact, confirmed that the nuclear weapons in the hands of U.S. troops stationed in Korea have all been withdrawn "with words hidden inside words." At the same time, these words also contain a strong warning ultimatum regarding North Korea's nuclear development.

That North Korea must abandon its nuclear development is an absolute cause that the international community wants to see fulfilled. It is our hope that President Bush's visit to the ROK will serve as an opportunity to make a headway in the policy of turning the Korean peninsula into a nuclear-free zone.

No less important is the need to make his visit to the ROK serve as an opportunity to elevate the ROK-U.S. security relations a notch higher. It is about time to orient our defense system toward high technology and to elaborately redefine the concept of collective security so as to make it substantial. The ROK-U.S. alliance for defensive purposes should, as a matter of course, be expanded to and aimed at Asian-Pacific collective security after the Korean peninsula has been reunified. This being the case, President Bush's visit to the ROK should serve as an opportunity to harden the cornerstone of new ROK-U.S. relations designed to work in the 21st century rather than to serve the United States in fulfilling its unilateral demands.

Foreign Minister Delays Moscow Trip Indefinitely

*SK2312015791 Seoul YONHAP in English 0125 GMT
23 Dec 91*

[Text] Seoul, Dec. 23 (YONHAP)—Foreign Minister Yi Sang-ok has indefinitely postponed an official visit to Moscow, scheduled for late January, as 11 Soviet republics agreed to create a new commonwealth over the weekend, putting an end to the Soviet Union, a government source said Monday.

The South Korean Embassy notified the authorities in Moscow of Seoul's decision that the foreign minister would visit Russia, Ukraine and Byelorussia after the political situation had stabilized, the source said.

Yi will attend the General Assembly of the United Nations Conference on Trade and Development (UNCTAD) in mid-February and is to make a tour of

South America, so his trip to the former Soviet Union was likely to be rescheduled for March, the source said.

Government Considers Missions in Soviet Republics

SK2312095891 Seoul KYONGHYANG SINMUN in Korean 23 Dec 91 p 1

[Text] With the 11 republics of the former Soviet Union founding the Commonwealth of Sovereign States, the government has decided that it needs to establish independent relations with these individual republics. It is now studying the possibility of establishing ambassador-level diplomatic relations with the four large republics—Russia, Ukraine, Kazakhstan, and Belarus—ahead of others.

A Foreign Ministry official stated on 22 December: Now that the 11 Republics have virtually declared their independence after bringing an end to the Government of the Soviet Union, our government finds it necessary to establish fresh diplomatic relations with them.

He went on to explain: As soon as its diplomatic stand on the Commonwealth of Sovereign Republics is finalized, the government will change the name of the permanent mission in Moscow to the Embassy to Russia before doing anything else. The government is also studying the possibility of opening embassies in Kiev, Ukraine; Alma Ata, Kazakhstan; and Minsk, Belarus.

New Trade Minister Urged To Correct Deficit

SK2112003991 Seoul THE KOREA HERALD in English 21 Dec 91 p 2

[Text] President No Tae-u yesterday directed new Trade and Industry Minister Han Pong-su to exert all-out efforts to correct the growing trade deficit, Chongwadae announced.

The president gave the instructions after giving the new trade minister a letter of appointment, presidential spokesman Kim Hak-chun said.

Han's predecessor, Yi Pong-su, was dismissed in a cabinet reshuffle Thursday because the trade deficit is feared to exceed well over \$10 billion this year, Chongwadae insiders have said.

"The utmost economic priority should be placed on improving the international balance of payments by making our manufacturing sectors more competitive," the president was quoted as saying.

South Korea's customs cleared trade deficit rose to a record \$10.8 billion in the first 11 months of this year. The shortfall a year earlier was \$5.39 billion.

Many economists have predicted that the trade deficit would increase next year, due mainly to the sluggish exports.

As for the parliamentary elections expected in March 1992, No called for steps to prevent excessive spending by candidates, the spokesman said.

"We should see to it that next year's elections do not cause wrinkles in the national economy," the president said, sharing the concern of many economists that the elections will fan price increases.

The presidential election is scheduled for late next year. Local polls to pick administrative chiefs may be held early next year.

President No also gave letters of appointment to six other new cabinet ministers, including Defense Minister Choe Sae-chang and Culture Minister Yi Su-chong.

Chu Kyong-sok Appointed New Tax Administrator

SK2112013091 Seoul YONHAP in English 0022 GMT 21 Dec 91

[Text] Seoul, Dec. 21 (YONHAP)—The government appointed Deputy National Tax Administrator Chu Kyong-sok Friday to head the Office of National Tax Administration.

Chu, 56, a native of Pusan, is a 32-year veteran of tax administration. He replaces So Yong-taek who was named construction minister Thursday.

Ministry Reviews Telecommunications Spending Plan

SK2012023791 Seoul YONHAP in English 0213 GMT 20 Dec 91

[Text] Seoul, Dec. 20 (YONHAP)—South Korea will spend 12.2 trillion won (16.14 billion U.S. dollars) on creating an "Information Society" during 1992-96 under the seventh five-year social and economic development plan, the Communications Ministry said Friday.

The telephone system will be expanded by 7.2 million lines to 24.75 million lines in 1996, growing from 34.3 lines per 100 people to 49.7 lines per 100 people (two phones per family) in the target year.

The ministry will install 56,000 pay phones for a total of 317,000.

By 1995, mechanical exchanges will be replaced with digital exchanges and telephone exchange facilities will have a 71.7-percent digitalization rate.

The ministry will replace trunk lines with fiber-optic cables and introduce competition in long-distance and mobile communications services.

To promote development of an information-oriented society, national computer networks will be completed by the end of 1995.

To develop an industrial and local information system, 150 billion won will be spent and 8.05 million computer

terminals for information-communication supplied, 3.19 million by the government.

Mobile telephone lines will be increased by 1.99 million to 2.34 million in the five-year period, according to the ministry.

To foster the information-communication industry, the ministry will invest 1,645.6 billion won in the development of core technologies such as communication networks, semiconductors and software, and create an information-communication promotion fund containing 200 billion won by 1995.

Burma**Saw Maung Attends Religious Ceremony in Pakokku***BK2112155891 Rangoon Burma Television Network
in Burmese 1330 GMT 21 Dec 91*

[Excerpts] Senior General Saw Maung, chairman of the State Law and Order Restoration Council [SLORC], accompanied by Major General Khin Nyunt, secretary-1 of the SLORC; Foreign Minister U Ohn Gyaw; Rear Admiral Than Nyunt, naval chief of staff; Major General Thein Win, Air Force chief of staff; Brigadier General Myo Thant, director of signals; responsible personnel from the SLORC chairman's office, the SLORC office, and the Work Committee of the Development of Border Regions and National Races; Police Major General San Thein from the People's Police Force; directors general and managing directors from departments and enterprises concerned; and responsible personnel, left Yangon [Rangoon] by military aircraft this morning and arrived at Pagan Nyaung-U airport at 0945. [passage omitted]

Sr. Gen. Saw Maung and his entourage, accompanied by Colonel Aung Thaung, chairman of Magwe Division Law and Order Restoration Council, left by military helicopters and arrived at Pakokku at 1025. [passage omitted]

At 1220, Sr. Gen. Saw Maung attended the fifth Maha Witokeda Ramika Gandha Wasaka Nikaya religious ceremony at the Maha Witokeda Rama's Alesein monastery in Pakokku and paid respects to senior monks led by Sagaing Taungyoe Nantagu Gyaung State Ovasariya Abidaja Maha Rataguru Badanta Nanda Myizu and presented gifts. The ceremony was attended by Ganda Mahawinayaka Sayadaws and Nikarya Sanghas. Maj. Gen. Khin Nyunt, secretary-1 of SLORC; Foreign Minister U Ohn Gyaw; Major General Kyaw Min, commander of Northwest Military Command; senior army officials from the Defense Ministry; Colonel Aung Thaung, chairman of Magwe Division Law and Order Restoration Council and responsible personnel; department officials; chairmen of the Pakokku Township Zone and Pakokku Township Law and Order Restoration Council; and benefactors. [passage omitted]

Sr. Gen. Saw Maung and his entourage arrived back in Yangon by military aircraft in the evening. [video shows Saw Maung leaving Yangon, receiving the guard of honor at Pakokku airport, attending religious ceremony, and touring other sites]

Karens Order Attacks on Firms Building Roads*BK2112015591 Bangkok BANGKOK POST in English
21 Dec 91 p 2*

[Text] Mae Sot, Tak—The Karen National Union (KNU) has ordered all its border units to attack every construction company, including Thai companies, hired to build roads into areas under its control.

Capt Naw Kae, chief of Kawmoorach Camp opposite Tak's Mae Sot District, said yesterday KNU President Bo Mya gave the order to commanders of all armed units during a meeting last week at the KNU headquarters of Manerplaw Camp, opposite Mae Hong Son's Mae Sariang District.

He quoted Bo Mya as saying that the State Law and Order Restoration Council (SLORC) wants to build roads into border areas to facilitate transport of troops, weapons and equipment for suppression of anti-Rangoon minority rebels, so it is necessary for KNU to try by all means to obstruct the plan.

For its survival, the KNU forces are to attack, conduct sabotage and arrest workers of any road construction company, Bo Mya said.

Capt New Kae said SLORC recently announced a plan to build more than 30 strategic roads in border areas, mostly controlled by the rebels.

A Thai military source said Burma had asked Thailand to support the plan by encouraging Thai construction companies to build some of the roads in exchange for teak logs.

Some of the roads would be connected to roads in Thailand.

The Burmese authorities also offered to open three more border trading posts at Mae Hong Son, Kanchanaburi and Prachuap Khiri Khan provinces.

Thai authorities however declined to get involved in the plan as it would be tantamount to meddling in Burma's internal affairs.

Any Thai company that wants to build the roads can move at its own will, the source said.

In another development, the Thai-Burmese Border Committee will today hold a meeting in Myawaddy, opposite Mae Sot, to discuss illegal Burmese immigrants and refugees in Thailand and cross-border trade.

Trade Minister Receives Japanese Deputy Minister*BK2012101291 Rangoon Radio Burma in Burmese
1330 GMT 19 Dec 91*

[Text] The Japanese Deputy Foreign Minister Mr. Kuni-hiko Saito and delegation, currently visiting Myanmar [Burma], accompanied by Japanese Ambassador Mr. Tomoya Kawamura, called on Brigadier General Abel, minister for planning and finance and for trade, at the Trade Ministry this morning at 1030 and held frank and cordial talks on bilateral matters.

Also present were responsible officials from the Ministry of Planning and Finance and from the Ministry of Trade.

Cambodia

Students Protest Corruption in Phnom Penh

Transport Minister Fired

*BK2112062391 Phnom Penh SPK in English
0425 GMT 21 Dec 91*

[Text] Phnom Penh SPK December 21—Cambodian Premier Hun Sen fired transport minister Friday in attempt to quell violent protests against official corruption.

The announcement came as demonstrators and looters sacked a ministry villa they said Transport and Communications Minister Ros Chhun had sold for his own profit.

Dozens of people smashed windows, set a jeep and piles of debris ablaze and rained bricks on police who tried to intervene. At least one policeman was injured, witnesses said.

The crowd around the house, which swelled to several thousands, dispersed with smiles and cheers after police played Hun Sen's pre-recorded announcement over loudspeakers.

Ros Chhun and three of his deputy ministers "have left their place of work," Hun Sen's message said.

"I love all the workers. I understand that you are angry about corruption. The government will resolve this problem."

The demonstration was the largest and most violent of four labor protests that broke out here this week.

Several police carried riot shields or assault rifles but they used no force against the demonstrators.

The rambling three-storey villa had housed five or six families before it was sold or appropriated by a senior ministry official, one demonstrator said. It was being refurbished at the time of the attack and was uninhabited.

Though ministry employees led the demonstration, most of the people who swarmed over the house and threw rocks and police were small boys and teenagers.

When asked whose house it was, one youth replied, "I don't know," and went back to stripping out the kitchen tiles.

Students March, Demand Rights

*BK2112101291 Hong Kong AFP in English 1001 GMT
21 Dec 91*

[Text] Phnom Penh, Dec 21 (AFP)—Several thousand students and other Cambodians marched on the National Assembly here Saturday to demand human rights, defying police who earlier opened fire to break up a demonstration. They called for the release of one of

their colleagues, Chhung Pharin, who witnesses said was beaten and arrested by police during the morning.

"Cambodian students want human rights," read the slogan on a blackboard removed from a classroom and carried at the head of the march, which was led by close to 1,000 students followed by at least 2,000 others.

"I have never seen this before in my life," marvelled Sith Luong, a 21-year-old economics student, as the marchers stopped traffic on the capital's main boulevard.

"Students from all the colleges are here. My classmates are all very angry at what the police did. Where are our human rights?" he said.

The students shouted and waved their signs as they passed the heavily guarded house of Prime Minister Hun Sen, who had appealed earlier on radio for the protests to halt. But several students said they had only heard Hun Sen's remarks earlier in the week that he had no right to prevent peaceful demonstrations, though he was referring to protests against his enemies the Khmer Rouge.

The Khmer Rouge leaders, due to return here Saturday for the first Phnom Penh meeting of Cambodia's Supreme National Council (SNC), cancelled their trip citing the "unstable situation" Hun Sen said in his broadcast Saturday.

He also warned that the spate of protests against official corruption that had hit the capital since Tuesday were causing foreign investors to flee.

Saturday's unrest started as another protest against graft, this time with several hundred people assembling outside the city hall to complain that municipal officials had sold public property and pocketed the proceeds. When students on the steps of the nearby medical school cheered them on, police arrested one youth, striking him in the face with a rifle butt, witnesses said.

The students marched to the police station to demand his release, and five or six more were arrested. A crowd of several thousand started to gather, blocking the city's main intersection. A few hundred young men started to attack police, who responded by repeatedly firing salvos of automatic weapons fire just over their heads.

The arrested students were later released, police and witnesses said, except for the one identified as Chhung Pharin, who was seen being taken away in a police car—possibly to hospital.

"He was so badly beaten he couldn't stand," said one witness.

The crowd dispersed and later reassembled peacefully outside the medical school. A few hours later the medical students—joined by colleagues from the law, economics and technical faculties—began marching down the main street. Police at first tried to stop them, then retreated into their headquarters and the march proceeded peacefully.

Police Fire Over Demonstrators' Heads

*BK2112043791 Hong Kong AFP in English 0432 GMT
21 Dec 91*

[Text] Phnom Penh, Dec 21 (AFP)—Police unleashed volleys of automatic weapons fire over the heads of demonstrators Saturday as anti-corruption protests in the Cambodian capital began to spiral out of control.

The rash of protests led the Khmer Rouge leaders to cancel their scheduled return to Phnom Penh, placing the future of the Cambodian peace process in doubt.

Several thousand people choked the city's main intersection to demand the release of six medical students arrested earlier in the day, including one who witnesses said was bleeding from a blow of a rifle butt.

The hundreds of young men at the core of the protest outside the main police station began challenging police, grabbing and trying to beat unarmed officers who ventured too close.

Police responded by arresting and punching several demonstrators. When the crowd tried to free one man, six or seven police armed with AK-47 assault rifles fired dozens of rounds over the heads of the demonstrators.

One block away at the medical school, students said they were standing on the steps cheering on an anti-corruption demonstration down the street at city hall when police arrived and arrested one of them, striking him in the face with a rifle butt.

"There was blood pouring down his face," said one of the students. Five other students were later arrested and other witnesses said several of them were punched and kicked as they were taken to the police station.

The crowd dispersed after about 50 police charged out of the main police station with guns and batons.

Several hundred people reassembled later in front of the medical school, where students had put up fresh posters demanding the release of their colleagues.

"Cambodian students need human rights," said one poster. "Do not trample the human rights," said another.

The crowd was well-behaved, however, and there was no sign of the teenage youths who had baited police outside the station.

Police said meanwhile that they had released the students.

Witnesses confirmed that five or six people ran out of the police station after being freed, but they saw one other—probably the most seriously injured student—being driven away in a police car.

Protesting Student 'Gravely' Wounded

*BK2112123691 Hong Kong AFP in English 1231 GMT
21 Dec 91*

[Text] Phnom Penh, Dec 21 (AFP)—Phnom Penh police shot and gravely wounded a medical student Saturday as they tried to disperse demonstrators attacking a police garage, witnesses and doctors said.

The shooting came after close to 1,000 students marched on the National Assembly to demand human rights and protest the arrest and beating of seven of their colleagues by police during an earlier demonstration.

The peaceful march turned violent after dusk as several dozen young men began throwing stones, tearing down fences and trying to start fires at a police motor pool and hospital on opposite sides of the street. One truck was set ablaze.

As student leaders with megaphones tried in vain to get the demonstrators to move on, police opened fire with AK-47 assault rifles, first firing over then into the crowd.

A second-year medical student was wounded in the left shoulder, witnesses said. A French doctor assisting the surgical team at Calmette Hospital said the student was in danger of dying.

Another medical student, beaten by police earlier in the day, also remained in hospital under observation, the doctor said. Several other youths were treated for baton blows and released.

[Hong Kong AFP in English at 1245 GMT on 21 December adds that the student "died on the operating table shortly after his friends rushed him to hospital."]

Main Street 'Battle Zone'

*BK2112152091 Hong Kong AFP in English 1516 GMT
21 Dec 91*

[Text] Phnom Penh, Dec 21 (AFP)—Cambodia's military moved in ostensibly to restore order in the capital after the main street turned into a battle zone of frenetic gunfire late Saturday.

A source at the scene said a high-ranking military officer was shot dead outside the Monorom Hotel and cars were burning in the streets. The death could not be immediately confirmed.

Soldiers appeared to be adding to the mayhem as they shot randomly into the air and at signs.

"The police have all gone home. They are scared," said one military official brandishing an AK-47, as his colleagues roamed up and down the street delivering occasional bursts of automatic weapons fire. "We are in control," he said.

The whereabouts of Phnom Penh's civilian officials were not immediately known, nor was the extent of their

control over the city. State-run television was showing a classical dance and comedy show.

Gunshots could be heard in many parts of the capital, as the day's violent clashes between students and police escalated.

Witnesses said the military was arming children with sticks and directing them to attack student demonstrators and that police, fearing retribution for the killing of a student, fled for cover.

The second-year medical student was shot in the back as police fired on a mob of demonstrators attacking a garage.

"This is exactly like it was when the Khmer Rouge moved in 16 years ago," said a veteran Cambodian aid worker who was in the capital during the invasion of 1975. Soldiers frantically chasing suspects in the day's demonstrations let off frequent bursts of gunfire on the main boulevard, Achar Mean.

The manager of the Sukhalay Hotel, popular with travelers and business people, stood outside waving his arms and pleading with the soldiers not to fire at the hotel.

"Foreigners, foreigners. Don't shoot!" he screamed as travelers and foreign journalists scrambled for cover in the lobby.

Hun Sen Addresses Protesters

*BK2112062791 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0100 GMT
21 Dec 91*

[“Message of His Excellency Hun Sen, chairman of the State of Cambodia's Council of Ministers, to compatriots;” place and date not given—recorded]

[Text] Dear compatriots: It is nearly 0500. I have not had any rest yet throughout the night because of the necessity to address compatriots on some issues in connection with the unrest over the past few days.

The people's basic rights and freedom have been fully respected by the Cambodian People's Party and the State of Cambodia's Government. The people have the right to express their views, protest, or make demands in accordance with the law.

However, the demonstrations of the past few days were not in accordance with democracy and human rights in their essence. They were strikes using violence in violation of the law, creating social instability, fear, and confusion among the people in general, and are seriously threatening the stability needed for implementing the peace agreement on Cambodia. I would like to specify that events taking place in Phnom Penh are not just political and economic unrest in the capital; they are related to the implementation of the peace agreement on Cambodia. And this could mean prolonging the Cambodian war.

Peaceful demonstrations or demands to solve problems are appropriate forms in accordance with democracy. However, anarchic strikes in violation of the law and human rights of other persons, to the point of destroying lives and state and people's property, is unacceptable. The government is very grateful if protests or demands are accompanied by concrete evidence on corruption of some government officials. The government will then submit all the cases to the tribunal for trial in accordance with the law, and take (?party) or administrative disciplinary actions appropriate to the offences committed.

I would like to specify that the government has never defended corruption and is very grateful for information to either the government or the National Assembly on protests relating to party or government officials who misbehaved or violated the law against the people. However, the government cannot accept acts that represent strikes destroying human lives and causing bodily harm. This is (?doubly) violating human rights.

Dear compatriots, some points of the demonstrations that took the form of strikes over the past few days were inappropriate while some were appropriate. As for the aspect and the way they were staged, these were against democracy and not conforming with human rights. They were staged without request for permission; they were clandestinely staged, creating confusion, destroying buildings, taking people hostage to demand ransom, and attacking police forces. A number of people took advantage of this to loot.

I would like to specify on these points and a number of issues which are appropriate and inappropriate. The appropriate point is the goal of the demonstration, which primarily is to assist the government to oppose corruption. The government welcomes this good intention. However, the inappropriate points are many.

First, the demonstrations were staged without permission. In any country, permission should be sought in advance to stage a demonstration. Only after permission is granted can the demonstration go ahead. In some countries, roads are even assigned for the demonstrations; even police escort is provided.

The past few days' demonstrations were staged without any permission whatsoever; they were not demonstrations staged openly in accordance with democracy. They were in fact demonstrations started by some people who incited strikes to create confusion. This is an inappropriate point.

The second inappropriate point: Strikes destroying and burning property are not appropriate because attacking inanimate objects is futile. Furthermore, I would like to say that people were taken hostage to demand ransom. For example, at the printing house of the KAMPUCHEA paper, demonstrators locked up a number of cadres and workers and demanded that 1,000 dollars be paid to each of the more than 100 demonstrators.

Yesterday night, on the 19th, demonstrators held a number of cadres and workers and demanded that 1,000 dollars be paid to workers... [changes thought] each demonstrator by 2000. If this is not done, another incident would take place. For all we know, the hostages could have been killed. Therefore, the state authorities had to take appropriate measures to protect those persons. Now some people have accused the government of protecting corrupt people. I would like to ask this: What is the concrete evidence for accusing these persons of being corrupt?

Normally, a guilty person, even punishable by the death penalty, has to be condemned by the tribunal first, because anyone can be called a prisoner or (?criminal). At the moment, more than 100 persons are holding over (?10) people there—I cannot remember the exact figure. Acting this way, where do we get the evidence for accusing these persons of being corrupt? It is true that there are inappropriate demands and some problems were initiated by officials at that place. Now officials there have been dismissed.

On this issue of the printing house, I would like to specify that this place has not yet been sold. Even if it is sold or leased to companies that are willing to invest—because the state is not in a position to provide modern equipment to do the printing—the point is not the distribution of money among workers. The entire sum of money should go to the state budget; this cannot be divided. Therefore, the demonstration, the strike at this printing house is not in accordance with the law and its aspect and essence. This is a clarification for compatriots to ponder.

If this printing house is sold and the money divided, what about other factories in which foreign companies will invest? Are we going to do the same? This is an issue concerning the entire society and not just this printing house.

It is true that inappropriate acts have been committed by officials. But were these offences the type that requires the death penalty before the tribunal passes sentence? This is why the administration has to take measures to free those persons. Thus, after these persons were freed, a number of people accused the administration, particularly Phnom Penh, of using force to free corrupt persons. If we kill these persons, what do we become? If demonstrators killed these persons, are we implementing human rights or violating human rights?

Third. The third inappropriate point: The attack against the police force, and even destruction or obstruction of fire engines. According to law, fire engines have priority in traveling from one place to another. Even at ferry crossings, the law allows this vehicle to go first. However, demonstrators in our strikes instead pelted or prevented fire engines—which the law has given priority—from moving about to carry out the rescue. If yesterday the house of the minister of communications was burned and the fire spread to markets or people's houses nearby,

how would we solve this problem faced with the masses of people there? This is an aspect I ask compatriots to think about to realize the responsibility of the government and that of demonstrators who staged the strike.

Is it reasonable that the police force was attacked and policemen were wounded? These persons are the children of the people and also human beings like us. Dozens of policemen have been wounded since the day of the demonstration against Khieu Samphan and Son Sen. However, none of our policemen has yet responded with arms to demonstrators. Therefore, compatriots, please consider this. Those who have children serving in the police force and got wounded, do they feel the pain? If we have children carrying out a task to maintain social order for the nation and motherland, and if they are attacked and they have not even responded, we should feel great pity for them, our offspring who are carrying out a good task for social order. Since the day of the demonstration against Khieu Samphan and Son Sen, our policemen have been very tired and subject to attacks. Of more than than eight million people, less than 1,000 took part in the past few days' attacks, except the demonstration against Khieu Samphan, in which tens of thousands took part. In the demonstrations over the past few days, only a handful... [changes thought] a few hundred were involved. For example at the bank, only about 30 or 40 persons were involved; at the printing house of the paper KAMPUCHEA, there were only 120. The demonstration with a lot of people involved was the one at the Communications Ministry, in which a fairly large number of people were involved.

Thus, of the more than eight million people, only less than 1,000 carried out the attacks and created confusion. This is something to which attention should be paid concerning social order because social order is an issue for everyone, not just a particular individual. The law should be applied to everyone. It cannot give priority to one group of persons and disregard the majority of people.

Fourth. The fourth inappropriate point: A number of accusations were reasonable. We acknowledge, the government acknowledges that there were reasonable accusations and have pledged to solve it. In yesterday's incident, although there were some reasonable points, they did not warrant immediate dismissal from office before proper investigation is conducted. However, because there was some evidence, the government has announced the dismissal of Ros Chhun from the post of minister of communications; Chhim Seng from the post of deputy communications minister; Kim Seap from the post of deputy communications minister; and Som Cheat from the post of assistant to communications minister.

Thus, there are a number of things that can be reasonably carried out; a number of other things are not at all reasonable. I would like to specify that I am not defending corruption. I have been vigorously leading the

struggle against corruption because I have the responsibility as vice chairman of the party and also as prime minister of this government; I oppose corruption and want compatriots to present concrete evidence against those who are corrupt.

I would like to specify that the government has a policy of getting local and foreign companies to invest capital in the agricultural, industrial, service, tourism, and banking sectors, and so on. To enable investment to work, the state has to provide land—whether as a concession, leasing, or selling it—or rent or sell buildings for use as offices. A number of factories and enterprises, in which the state is not in a position to invest, have been leased to private companies with the state collecting taxes according to conditions of the market economy. The money coming from the sale or lease must go to the state budget, one part of which was used as relief for flood victims, such as buying thousands of tonnes of rice seed, rice, and relief equipment, and the repair of the dozens of kilometers of railroad track, bridges, and roads damaged by the floods.

I would like to specify that since 1990 and 1991, the government has not received any aid from Eastern Europe and the Soviet Union. Our government has also been under an economic blockade. Fuel alone requires a lot of foreign currency at a time when the state is lacking it. When the floods occurred, what was to be done? The state has some money from leasing buildings and factories for emergency relief. On foreign aid, I would like to specify that we did receive some. However, our need was 150 million U.S. dollars while we received only about two million. Some aid was appropriate to the situation; other was not so.

I would like to inform compatriots that to this day some relief aid from several countries consisting of rice or materiel have not arrived yet in Cambodia. Thus, the government has to urgently provide rice and thousands of rice seeds for flood victims.

Where did the government get this money from? They got it from doing selling or leasing factories. As for building the railroad to reestablish the link from Kompong Som and Phnom Penh, until today the government has not received a cent from any country or international organization for communications. The railroad has been truncated along with the National Route Nos. 2 and 3. Many bridges, several of them on National Route (?4), have also been cut. Where did the government get the money from? It took a bit from here and a bit from there. It even has to borrow from a number of companies to provide timely relief. Assistance from our compatriots has also been used for this. The government is very grateful for this.

Our needs were very great. There was a lack of medicine just when the state did not have any foreign currency. Due to the economic blockade, certain goods had to be brought in secretly from other countries through several companies. I am speaking frankly now that there is no

economic blockade anymore. For many years we have faced problems. Funds received annually from the Soviet Union, nearly 100 million dollars, or over 100 million dollars, and from Eastern Europe, completely dried up at a time when our needs were great. Thus, on this issue, I say that this is reasonable.

Suppose a piece of land or factory has been given as a concession or leased. If its proceeds were divided, would there be anything left for us to solve such social problems? Thus, the demand for the distribution of proceeds from the sale or lease of factories or enterprises is not at all reasonable.

It is true that there has been a few cases. For example, moving out of a state building. When this happens, the government allocates part of that money to workers.

Tonight, since early evening, I have received reports that orphans at the Kolap Ti Bei Orphanage, located in the former French Embassy seem to want to stage a demonstration—this is according to reports—to demand distribution of money provided by France. I have negotiated with France. According to the international agreement which is valid for 90 or 99 years, foreign embassies have to be returned. I have asked the French Government for aid, saying I have to solve the problem of moving orphans to a new location. Because of their understanding, they will provide some money for building a new orphanage. If we divide this money, what do we have left? It is a good that France has consented to give some money. If they did not, we would have to leave empty handed as France would have to take back its building. This is why some demands are unreasonable. However, I do not know whether my appeal could prevent orphans from staging an unreasonable demonstration or strike.

I am talking about the government's real problem. It is the government's policy to get investment. This is true for any country, in particular in Cambodia which has been ruined by war for 21 years. We can only survive through foreign investment. If we want others to invest, where should they go to? We have old factories; the machinery in them will have to be thrown away after the factories are leased or bought. In fact, investors only need the location. They they are not going to produce goods from our 30, 40, or over 20 year-old factories. At the very least, the production systems will have to be replaced. The state has no capital. Thus, we have to lease the place. This also solves the problem of goods production in our country and provides jobs for workers. The state, too, has an income through tax collection. It also reduces imports which has exceeded our exports. This is a serious imbalance in our foreign trade.

Now I would like to inform compatriots that several foreign companies have begun to leave Cambodia by plane yesterday and today. They cannot endure an investment climate that lacks stability. These investors, both our compatriots abroad and foreign companies, have good intentions to help build the country. They can

easily live off the interest had they lent their money to banks. But they sympathized with Cambodia. True, they will make some profit. But they can as easily withdraw their capital and deposit it with foreign banks and live off the interest without having to tolerate any headaches from us caused by a lack of stability and security and even service. This is a serious consequence for the implementation of the policy to liberalize the economy, which is wanted by the people. They want to liberalize and privatize the economy, as opposed to state control, toward the market economy.

Now the government admits that because of unrest, which could affect foreign investment, a number of foreign companies have withdrawn and are discussing with the government about withdrawing.

I would like to specify that not only foreign companies need land, buildings, and enterprises. Even the United Nations or international organizations who are coming to solve the Cambodian problem or to assist us need buildings or land for offices as well as places for providing aid. Where should these people go?

The other day, the UNAMIC [UN Advance Mission in Cambodia] proposed that I provide... [changes thought] that the government, through me will provide the school which belongs to Vietnam. But I told the UNAMIC that I could not do this. The rent offered was (?500,000) U.S. dollars a month. However, the government cannot do this because we do not have a place for students to study.

If I had decided at that time to rent this building to the United Nations, I think serious anti-government demonstrations may have taken place. I told UNAMIC that the student reaction to this may be strong if it insists on wanting the Social Science Institute, which is a gift from Vietnam. Nearly 500 students in the philosophy, human sciences, and literature departments are studying there now. More will be sent there. The UNDP [UN Development Program] needs the Construction Department's office. But we cannot hand this over because we do not know where to move this department to.

Many international organizations need buildings in Phnom Penh. Many foreign embassies will be opened in Phnom Penh. Several embassies wanted to rent people's homes. Others are relying on the government for accommodation. If the government has buildings to rent it would be good, so that the state budget, which is in difficulty right now, will have income.

The government is trying to find the money for lecturers at the Cambodian-Soviet Institute of Technology. Where will the government get the money from? The Soviet Union can no longer provide lecturers. We have asked UNESCO, which said it could provide 130,000 dollars for hiring (?11) Soviet lecturers. At the moment, the government is trying to find money because the need for lecturers is great. UNESCO's fund may only last six months. It is not known whether UNESCO can continue to help. They may not be able to or their aid might be only this much. The government needs specialists in our

country to continue teaching so that studies are not interrupted. Until today, we have not been able to pay these lecturers let alone look for our own specialists. We have to provide our lecturers with a salary. The government is greatly concerned about this and has discussed the budget at meetings over the past few days. We are facing difficulties.

Even the United Nations, international organizations, and foreign embassies are in need of buildings. The government is facing problems now. It cannot do anything else if this situation continues. Phnom Penh will remain as it is now with no buildings over 10 or 20 stories high. The government would not be able to do anything against such reaction, though a piece of land has been left to private companies to build hotels, banks, or something. This ties up the government's hands. Phnom Penh will remain this way. Huts will remain huts, small warehouses the same, and small factories will continue to be small factories. I would like compatriots to realize our country's situation.

Dear compatriots, I have raised all this for you to consider because the majority of our compatriots who did not take part in these demonstrations are at the receiving end of these incidents. Protestors who took part in the demonstrations of the past few at those few places number only a few hundred, except for the protest against Khieu Samphan and Son Sen where a lot of people were involved. Thus only a few hundred persons compared to more than eight million are worried about this situation.

The fifth point, another unreasonable one: Taking advantage of the confusion, a number of people looted the markets. Following yesterday's strike against the (?communications) minister's house, some people turned to O Russei market and looted goods belonging to traders. Now a number of traders have closed their shops; others are preparing to close their shops. How will this situation affect our economic and social problems in the next few days if it does not calm down? This will affect the overwhelming majority of people in society.

Our experience from the past during the Lon Nol regime shows this, too. In some countries, lootings follow demonstrations. The problem needs attention now. What would happen if it continues? A number of consequences would inevitably result from this.

First, the war will inevitably resume because the agreement cannot be implemented. Members of the national council certainly cannot meet in Phnom Penh if there is no stability and security. According to plans, Their Excellencies Khieu Samphan and Son Sen are due to arrive today. However, this arrival has been canceled because of this unrest. Apart from demonstrations here and there, demonstrations against Khmer Rouge leaders could again take place. The important thing about the postponement is that Phnom Penh has lost stability.

I stress that there are problems now. Even a visit by the Palestinian President Yasir 'Arafat planned for this

Sunday has been canceled. As long as there is no stability, a peace agreement cannot be implemented. Elections can take place only when there is stability. Otherwise this agreement cannot be implemented. Thus, the war will inevitably resume and drag on in Cambodia. This is a prediction, and a correct one. Compatriots, just wait and see. If the situation is not calm, war will drag on, war will continue. Although there is a cease-fire now, violations will continue at a number of places.

Thus the implementation on the military front cannot be carried out. The same goes for the implementation of other agreements. Confusion reigns now.

Second, there will certainly be political, economic, and social confusion. Cambodia will become a country with no laws, with no one listening to anyone, and anarchic. Fear will grip the majority of the people. There will surely be political and economic confusion if the current situation remains. Cambodia will become a lawless country, with no one listening to anyone, and anarchic.

Do not forget that a bitter incident will take place at that time. The fear among the majority of the people resulting from the demonstrations by a small number of people and the situation will get worse. I appeal to the majority of people, who have no problems, to please consider the matter. Can we accept unrest stirred up by a small number of people and which affects social order and creates problems for the entire society?

Third, foreign investment for economic and social development will face difficulties; the economy will worsen. I have informed you earlier that some foreign countries have started to withdraw and are pulling out. Thus, we have nothing now. If the peace agreement cannot be implemented, the United Nations also will have no money to assist the Cambodian people. Therefore, our country's economy will get nowhere. And even if the United Nations does come, it will not have the money for each person to live on. We have to have our own production. We need investment from foreign companies.

Fourth, if such incidents do take place, bloodshed will be inevitable between violent demonstrators and the group of persons whom the demonstrations are against. They will be forced to defend themselves. I am not talking about clashes between the police or army and demonstrators. I am only talking about a possible clash between demonstrators who violate those they oppose and these people who have to defend themselves against this possibility. This will be weapons against weapons because the demonstrators have knives, clubs, and stones to attack the latter. In this case would the latter be willing to suffer injury if they have weapons to defend themselves? The demonstrators should think clearly about this as they will be violating human rights. They will be attacking and destroying others. Although we have good intention, these acts run counter to human

rights. Demonstrators and those demonstrated against will fight. Currently, we have not been able to control weapons properly.

These are the four events that could take place. They would plunge the country into a bloodbath again and prolong the people's poverty.

Dear compatriots, based on the above events, I would like to propose that compatriots who want to express opinions or to protest to preserve dignity, to struggle through peaceful means, and to absolutely stop the use of irrational violence. Our country is administered by laws. These are my proposals:

1. If demonstrations are being planned, permission should be obtained first. This is also a legal matter. There can be no demonstrations contravening democracy such as a coup d'etat or clandestine strike, which in military terms are offensives and not reasonable protests. These are destructive attacks. Therefore, seek permission to stage demonstrations.

2. Protests should be accompanied by clear proposals and evidence. No protest that is unreasonable or which violates the law can take place, as I have pointed out earlier.

For example, in asking for the permission to demonstrate, what is clear (?evidence)? This is to avoid turning a demonstration into an (?accusation) and an expression of violence or using the demonstration to create unrest or loot shops. There should be clear demands and clear evidence against what we oppose. At least, there should be some evidence for the tribunal or competent authorities to check on and solve the problem. This is the only way to solve the problem. Gathering people to attack a person or place is not a solution. This will not solve the problem. Killing a man or wounding four or five persons cannot solve the problem. It has to be solved through the government. The government promises to solve the problem. If there is evidence, the government will turn this to the courts because the government has no right to pass a prison sentence on anyone. Only the courts have the prerogative to pass sentence in accordance with laws already promulgated.

The government has the right to take administrative and disciplinary measures such as demotion or a number of other measures stipulated by law. Thus, once the government has received a reasonable case, it will be passed on to the courts. If the offense does not warrant a prison sentence, the government will solve the case through administrative procedures.

3. The exercise of one's right should not affect the rights of other as they also have rights. We have to know how to use our rights. We should not forget that others are also persons like us and also have rights. Therefore, I propose that compatriots should use their rights according to the law and to not violate others. The use of violence—which destroys people's and public property and causes bodily harm or endangers our lives and so

on—should be absolutely banned. The government cannot accept such activities.

I would like to stress that demonstrators are not the only ones exercising human rights. Do not forget that others can do this, too. Law-keepers also have the right to maintain order to preserve human rights.

Yesterday, for example, there were accusations that Phnom Penh used the police to free corrupt people. If the state authorities turned a blind eye to demonstrators, if the demonstrators had killed those persons, how could we solve this problem? Therefore, the administration is exercising its rights to defend human rights because if they had killed or tortured people who have not been sentenced, they have violated these people who have the same human rights. Although these persons are corrupt, the law is the one that passes down sentences. Our role is to assist in finding out and eliminating corruption, and reporting it to the courts.

Thus, I would like to inform compatriots not to violate other people's rights when they are exercising their own. This is because if we sometimes feel we have the right to attack others, they could say they are exercising their right to attack us. This is something else. It is like pouring oil over fire. The government continues to pledge to respect and fully implement human rights stipulated in the Universal Declaration of Human Rights. However, the government will also not allow human beings to violate human rights.

I would like to say that the government continues to firmly respect and implement human rights as stipulated in the Universal Declaration on Human Rights. The government will not allow demonstrators to violate human rights and will take appropriate measure to maintain law and social order to protect human rights, social stability, and implement at all costs the peace agreement on Cambodia.

Thus the government cannot remain indifferent to acts that are against the law and human rights and which run counter to social stability, human rights, and the implementation of the peace agreement on Cambodia.

The government has been acting against corruption. It will be very grateful to citizens who assist them in exposing genuinely corrupt people. They pledge to send these people to trial in accordance with the law. Thus, the fight against corruption should continue, but not through illegal means. The law should be used to prevent and root out corruption. The government will continue to do this and will be very grateful if citizens uncover corrupt people and report them to the courts, the National Assembly, the government, competent ministries, or competent authorities.

Dear compatriots, the most worrisome issue now is not something that has been caused by the overwhelming majority of compatriots. This has been caused by a group

of persons, not many in number. The government understands the feelings of compatriots who have demonstrated. However, the government appeals for activities to be carried out in accordance with human rights and the law. We should strive to preserve our nation's noble traditions.

I would like to express profound thanks in advance to compatriots who have contributed to maintaining social order, and in preventing and rooting out corruption through legitimate ways.

Interior Ministry Comments

*BK2212045891 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 2300 GMT
21 Dec 91*

["Statement of the Interior Ministry"—read by announcer]

[Text] On the morning of 21 December 1991, a demonstration was staged in Phnom Penh by medical school students who were instigated by armed reactionaries.

In this demonstration, these reactionary elements took part in, ordered, and incited the students to accuse the People's Police Force of arresting a student and demanding his release.

In fact, the People's Police forces on duty to maintain public order have arrested a reactionary element who moved around inciting the demonstration and showed this element to the students, but students denied that he was one of them.

The demonstrators marched along [words indistinct] in Phnom Penh, passing through the palace, and at 1800 the demonstrators announced that five students were missing. The demonstrators, at the instigation by the reactionary elements, then attacked the People's Police Force headquarters in Phnom Penh, using hand grenades as well. They attacked and burned property and cars.

Afterward, these demonstrators divided into a second group which went to attack the Phnom Penh Traffic Police's office.

During this incident, the reactionaries fired gunshots from buildings in the direction of the demonstrators, killing and wounding a number of people. Among the wounded were 18 people's policemen.

The security forces fired at these reactionaries, causing (?one of them) to fall from a building with a pistol in hand.

The People's Police Force would like to appeal to all people to remain calm. Do not fall for the instigation by the reactionaries, which will only cause social disorder and affect the people's peaceful life and the implementation of the peace agreement.

The People's Police Force will continue to maintain public order and check any reactionary act that causes unrest and hampers public order and the people's security.

Phnom Penh 22 December 1991.

Students Vow To Press Demands

BK2212030891 Hong Kong AFP in English 0259 GMT
22 Dec 91

[Excerpt] Phnom Penh, Dec 22 (AFP)—Cambodian troops fired into the air to disperse student demonstrators Sunday after sealing off the city center with armored personnel carriers.

Students at Phnom Penh University said they broke up after police fired shots, but they vowed to press on demanding human rights.

"The students will demonstrate against the government again and again," said 19-year-old economics student Pin Pitou.

He said four students were missing after Saturday's violent protests—in which two people were shot dead—and that demonstrations would continue until their whereabouts were known.

Armored personnel carriers blocked major intersections after a day of protests during which two people were shot dead and at least four wounded, according to French doctors who treated the victims at Calmette Hospital.

"Don't use weapons on us," read one of the sign carried by a group of about 60 students seen marching from Phnom Penh University toward the city center. "Cambodian students need human rights."

Saturday's unrest began as a peaceful protest against official corruption but turned violent after police arrested a medical student and later shot dead another.

The Army took over the city center after police failed to control crowds of protestors, some of whom attacked police facilities, witnesses said. [passage omitted]

Protests 'Most Violent' in Recent History

BK2212003891 Hong Kong AFP in English 1832 GMT
22 Dec 91

[Text] Phnom Penh, Dec 21 (AFP)—Security forces shot two demonstrators to death and wounded four others Saturday as the most violent protests in recent history rocked the Cambodian capital.

Students vowed to demonstrate anew Sunday to protest the use of force by police, who shot dead one medical student and severely beat another, witnesses and doctors said.

Police fatally wounded the second-year medical student when they opened fire with AK-47 assault rifles on youths attacking a police garage, witnesses said.

The Army took over the city center when police failed to control crowds that went on the rampage after the student's death.

Firing bursts of rifle and machinegun fire, they managed to disperse the protestors but not without wounding at least five, witnesses said.

One of the five later died at Calmette Hospital, according to doctors from the French aid group Medecins du Monde staffing the operating room.

One soldier was accidentally wounded in the arm by fellow soldiers, according to staff at the medical hospital.

The unrest started early Saturday as a protest against official corruption but widened into a demonstration to demand human rights after police arrested and beat a medical student, witnesses said.

The demonstrations were led by students but dozens of hooligans joined in, smashing property and throwing rocks at police.

Sihanouk Urges 'Gentle Persuasion'

BK2212042891 Hong Kong AFP in English 0425 GMT
22 Dec 91

[Text] Phnom Penh, Dec 22 (AFP) - Prince Norodom Sihanouk urged authorities Sunday to use only "gentle persuasion" to restore order after security forces shot dead two demonstrators here.

"For two days, the situation in Phnom Penh had done nothing but worsen tragically," the prince said in a written statement to AFP.

He appealed to the Phnom Penh government headed by Premier Hun Sen "to do everything possible to realize, in accord with the august teachings of Buddhism, national reconciliation and the return to peace in our Cambodian community using only peaceful means and gentle persuasion."

Two men were killed and 10 other people wounded Saturday, doctors from the French aid group Medecins du Monde said, after police opened fire on violent crowds.

The unrest started as a peaceful protest against alleged corruption by municipal officials but turned violent after police arrested one medical student and shot dead another who was demanding his release.

"In an authentic democracy, human rights must be respected 100 percent," Prince Sihanouk said.

He appealed to both sides to "settle peacefully their differences, starting by renouncing violence."

The prince stressed, however, that as president of Cambodia's Supreme National Council, he had no administrative or governmental power.

Troops with armored personnel carriers sealed off the heart of Phnom Penh's commercial district Sunday, firing shots to scatter one group of about 60 Phnom Penh University students who tried to approach, witnesses said.

Troops continued to fire warning shots throughout the morning but no more demonstrators were seen.

Sihanouk, SNC Discuss Situation

BK2312015491 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Dec 91

[Text] On 21 December, Samdech Norodom Sihanouk, Cambodian head of state and chairman of the Supreme National Council [SNC], called a special session of the SNC Secretariat.

Attending the session in addition to the SNC members were representatives of the five big powers and Mr. Ataul Karim.

The session was chaired by Samdech Norodom Sihanouk.

1. During the session, the samdech said that he had advised Their Excellencies Khieu Samphan and Son Sen to postpone their 21 December trip to Phnom Penh because the situation in the city kept deteriorating due to violent demonstrations in which some people were shot dead. The samdech said that Mr. Hun Sen admitted that the situation in Phnom Penh deteriorated after he made an appeal to the Phnom Penh people. The samdech added that today the medical students continued their demonstration. The roads leading to the National Assembly were sealed off. Many soldiers were guarding Mr. Hun Sen's house on the morning of 21 December, and a large number of people demonstrated.

2. During the meeting, the samdech set forth three basic principles for further implementation of the Paris agreement.

The first principle is to normalize the situation in Phnom Penh.

The second principle deals with the need to clearly divide the authority and responsibility between the Phnom Penh government and the SNC on the one side and the UN Transitional Authority in Cambodia [UNTAC] on the other.

The third principle deals with the need to join hands in correctly elaborating the Paris agreement documents.

3. Samdech Norodom Sihanouk, head of state and chairman of the SNC, stressed that in the event that the Phnom Penh authorities can no longer control the situation, in order to implement the agreement, it is imperative for the UN authorities to control the whole of Phnom Penh and for all Cambodian Armed Forces to be dissolved 100 percent.

Schools, Universities Closed

BK2312045091 Hong Kong AFP in English 0439 GMT 23 Dec 91

[Text] Phnom Penh, Dec 23 (AFP)—The Phnom Penh Government, in a bid to quell further unrest, on Monday ordered all schools and universities in the capital closed.

Weekend violence, which began with a student demonstration that spun out of control, left three people dead, by official count, including a police officer.

Eyewitness accounts put the death toll between five and seven, with at least 30 injuries.

Soldiers firing automatic weapons moved in with armoured personnel carriers Saturday night to restore order. By Sunday afternoon the situation had calmed and the army withdrew, leaving heavily armed police in full force on street corners.

The government also imposed an indefinite curfew from 8:00 p.m. to 5:00 a.m.

It did not say when the schools and universities would reopen.

They would probably remain closed until Cambodia's national holiday January 7 celebrating the ousting of the Khmer Rouge and installation of the Phnom Penh government, Cambodian sources said.

Closing the universities keeps student leaders from having an easy meeting place in which to plan further demonstrations, one source said.

Life in Phnom Penh appeared normal Monday morning, with the exception of armed police at key intersections and roadblocks around the Royal Palace.

On the main Achar Mean boulevard where the fighting took place Saturday, shopkeepers cautiously opened their gates half-way to do business.

The riel was trading on the black market at the same rate as before the shootings began, at 520 to the dollar.

The shops and the nearby central market were barricaded by the army for most of the day Sunday.

Buildings all along the street showed evidence of the weekend's violence—bullet holes, spent bullet casings and bloodstains.

Foreign Minister Hor Namhong News Conference

Comments on Student Demonstrations

BK2212062091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 22 Dec 91

[Text] At 1015 on the morning of 22 December Cambodian Foreign Minister Hor Namhong held a press conference at the Foreign Ministry, which was attended by many domestic and foreign journalists.

On that occasion, Foreign Minister Hor Namhong informed domestic and foreign journalists about the incident caused by student-worker demonstrations, saying that although some improper violence was used, the government has been extremely restrained and has shown respect to the demonstrators opposing corrupt actions, in line with our government's policy.

The minister stressed that yesterday's demonstration (?turned into) an armed riot with the political aim of creating instability in the city and hindering the implementation of the Paris agreement by our government. The government cannot let such an armed riot take place.

The foreign minister said that the government continues to fully respect human rights and that the government will allow only peaceful demonstrations to be held if it is requested, adding that it will even support such demonstrations.

Later on, Foreign Minister Hor Namhong answered many questions posed by domestic and foreign journalists.

Says Peace Process Delayed

*BK2212093691 Hong Kong AFP in English 0908 GMT
22 Dec 91*

[By Sheri Prasso]

[Text] Phnom Penh, Dec 22 (AFP)—Cambodia's army and police reestablished a firm grip over the capital Sunday after demonstrations turned violent and left at least three people dead.

The process of peace in Cambodia appeared to be seriously set back by the unrest, which prompted a curfew and the cancellation of all visits by foreign dignitaries through the end of the year.

"The events, the turmoil of (Saturday) will certainly delay the process of the peace plan," Foreign Minister Hor Namhong told reporters.

Khmer Rouge leaders Khieu Samphan and Son Sen were forced to cancel their second attempt to return to the capital because of the unstable situation, the Phnom Penh Government said.

It blamed the violence on armed subversives bent on destabilizing the government.

Prince Norodom Sihanouk appealed to Phnom Penh authorities to use only "gentle persuasion" to restore order.

The weekend's unrest started as a peaceful protest against alleged corruption by municipal officials but turned violent after police arrested one medical student and shot dead another who was demanding his release.

By Sunday morning, at least two more people had been shot dead and 30 injured.

The students tried to protest again in the morning but were deterred by a line of police and warning fire from automatic weapons.

"First the police fired at us and we all sat down," one student demonstrator said. "Then they fired again and we all ran away."

The students wanted to protest Saturday's events, demand human rights and press for the whereabouts of some students they said went missing.

"If the government says no, we all will attack," 18-year-old economics student Chea Borima said. "Tomorrow (the demonstrations) will happen again."

Security forces late Saturday sealed off the center of the city's commercial district including the central market and several hotels popular with foreigners, as armoured personnel carriers blocked the main boulevard, Achar Mean.

The market was closed, blocked off by forces armed with automatic weapons, and most shops on the main street were shuttered.

Hor Namhong said "armed elements" that sparked Saturday's violence were hiding out in the area.

He hinted that former resistance factions who signed a peace treaty with Phnom Penh could have been behind the violence.

"We don't know exactly" who the armed subversives were, Hor Namhong said. "But you are fully aware who we have fought, who we have struggled against for the last 13 years."

Asked specifically whether the Khmer Rouge could have had a hand in the violence, the foreign minister said: "This is my impression, but I have no official information to say so."

Sporadic gunfire continued all night and into Sunday, as security forces fired into the air and down sidestreets.

By later Sunday, police were allowing traffic to pass through at least one intersection of the blocked-off area.

Visits scheduled for this week by the Vietnamese, Chinese and Lao foreign ministers were all postponed.

Palestinian leader Yasir 'Arafat had been scheduled to arrive Sunday, but his visit was also postponed.

The postponement by Chinese Foreign Minister Qian Qichen was the second in a month. He postponed his first scheduled trip after an angry mob chased the Khmer Rouge leaders out of the capital.

China has been a strong supporter and major arms supplier of the Khmer Rouge.

The Army withdrew from the city in mid-afternoon, allowing traffic to resume along the main commercial thoroughfare.

Merchants along Achar Mean boulevard cracked open their metal shutters to allow customers in and out.

A few small crowds gathered to look at bullet holes in walls and cinema marquees, but life generally appeared to have returned to normal.

Blames 'Armed' Insurrection

BK2212070291 Hong Kong AFP in English 0652 GMT 22 Dec 91

[Text] Phnom Penh, Dec 22 (AFP)—The Phnom Penh government Sunday blamed armed subversives bent on destabilizing the government for weekend violence that left at least three dead and 30 injured.

"This was an armed insurrection with a political aim," Foreign Minister Hor Namhong told foreign journalists.

"Having a political aim means they want to create instability for the government," he said. "They want to prevent the implementation of the Paris peace accord."

He said the peace process had been seriously set back by the unrest.

While refraining from a direct accusation, he hinted at Khmer Rouge involvement in instigating the violence.

"We don't know exactly" who they are, the foreign minister said. "But you are fully aware who we have fought, who we have struggled against for the last 13 years."

Asked directly if the Khmer Rouge were involved, he said: "This is my impression, but I have no official information to say so."

Khmer Rouge leaders Khieu Samphan and Son Sen cancelled their second attempt to return to the capital due to the unrest.

A police official, a student demonstrator and a third man were killed in what began as an anti-corruption demonstration and spiralled out of control.

Hor Namhong said "armed elements" in the crowd of student demonstrators were responsible for provoking police, who showed remarkable restraint in not firing into the crowd.

"We killed one of them (armed elements). The others we have not been able to capture," he said.

The man killed by the government was aged over 40, had long hair and carried no identification, the foreign minister said.

"He was not a normal person, and he was not a student either," Hor Namhong said.

He said about 10 more of these "armed elements" were hiding out in a central part of the city around the Monorom Hotel, which was cordoned off by heavily armed security forces and armored personnel carriers.

The crackle of gunfire could be heard repeatedly throughout the day as police fired shots along the main Achar Mean boulevard in the center of the siege area.

The official death toll was three but journalists on the scene witnessed several more shootings, including the shooting of one man who died in hospital.

Hor Namhong said people would continue to have the right to demonstrate, but must ask formal authorization from the government and stay in a restricted area.

"But armed insurrection with a political aim we cannot allow, and the government will do everything necessary in order to confront this situation," he said.

The government imposed a dusk-to-dawn curfew to quell the violence.

Announces Provisional Curfew

BK2212065291 Hong Kong AFP in English 0639 GMT 22 Dec 91

[Text] Phnom Penh, Dec 22 (AFP)—Cambodian authorities ordered a curfew Sunday after violent protests in the capital left at least three people dead.

The curfew would be enforced from either 6 p.m. or 7 p.m. (1100-1200 GMT) until 5 a.m. (2200 GMT), Foreign Minister Hor Namhong announced.

"This is on a provisional basis" until the situation in the capital calmed down, he said.

Meanwhile troops kept the city center under tight control. Sporadic gunfire continued in parts of the capital and armored personnel carriers patrolled the streets with soldiers sporting AK-47 and M-16 weapons.

The foreign minister said, "armed elements were still hiding in an area around the capital's main intersection and the Monorom Hotel. [no end quote as received]"

"When there will be no further insurrection" the troops will allow people to pass through the streets, he said.

Reports Foreign Visits Postponed

BK2212054491 Hong Kong AFP in English 0537 GMT 22 Dec 91

[Text] Phnom Penh, Dec 22 (AFP)—All visits by foreign dignitaries to the Cambodian capital for the rest of the year will be postponed, Phnom Penh Foreign Minister Hor Namhong said Sunday.

Palestinian leader Yasir 'Arafat had planned to arrive Sunday, but the Phnom Penh government requested he postpone the trip because of the unrest in the capital.

The Vietnamese Foreign Minister Nguyen Manh Cam had been due to arrive Monday, and Chinese Foreign Minister Qian Qichen was to have arrived December 27.

"Right now we have requested to postpone all of these visits because of the situation," Hor Namhong said.

Also postponed was the visit of the Lao Foreign Minister Souban Srithirat on December 30.

The postponement of the visits came after a night of violence in which at least two people were shot dead.

Khieu Samphan, Son Sen Confirm Postponing Visit

BK2312011191 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Dec 91

[“Confirmation by the office of His Excellency Khieu Samphan on Their Excellencies Khieu Samphan and Son Sen postponing their trip to Phnom Penh”—read by announcer]

[Text] 1. Their Excellencies Khieu Samphan and Son Sen, leaders of Democratic Kampuchea [DK] and members of the Supreme National Council [SNC], were scheduled to leave for Phnom Penh on 21 December 1991 to work normally in the SNC with Cambodian head of state Samdech Norodom Sihanouk as its chairman.

2. But, the 21 December trip of the two excellencies were cancelled because the samdech chairman advised us that there were big anti-corruption demonstrations in Phnom Penh and proposed that Their Excellencies Khieu Samphan and Son Sen delay their trip for a period of time until the situation improved.

3. At a meeting held in Phnom Penh on 21 December between the SNC Secretariat and the chairman of the UN Advance Mission in Cambodia and representatives of the five permanent members, the samdech head of state and chairman of the SNC noted that he had advised Their Excellencies Khieu Samphan and Son Sen not to come to Phnom Penh on 21 December because the situation in Phnom Penh has deteriorated due to violent demonstrations in which some people were shot dead. The samdech added that His Excellency Hun Sen had admitted that the situation in Phnom Penh deteriorated even more seriously after he made an appeal to the people in Phnom Penh. The samdech said that medical students continued their demonstration on 21 December. The roads leading to the National Assembly were sealed off. On 21 December morning, many soldiers were guarding His Excellency Hun Sen's house and a large number of people demonstrated.

4. On 22 December, reports said that the demonstration became even more violent.

5. Their Excellencies Khieu Samphan and Son Sen wish to confirm that due to such big anti-corruption demonstrations, they would wait for a few more days to see how the situation will develop.

Their Excellencies Khieu Samphan and Son Sen wish to confirm also that the DK party still maintains its firm

stance to correctly and thoroughly implement the agreement in its entirety so that Cambodia will regain peace, happiness, and independence.

[Dated] 22 December 1991

[Signed] The office of His Excellency Khieu Samphan and of the head of the DK party's members of the SNC.

Sihanouk Aide Says Corruption Currently at Peak

BK2112101391 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 21 Dec 91

[Text] Julio Jeldres, a former close aide of Samdech Preah Norodom Sihanouk—head of state of Cambodia and chairman of the Supreme National Council [SNC]—said Mr. Hun Sen's government was no longer capable of administering state affairs since rampant corrupt practices within the government has peaked at present. Julio, Samdech Preah Norodom Sihanouk's senior aide for 10 years, asked the samdech to allow him to quit service next week. Julio added that the samdech was not able to prevent Cambodian Government leaders from selling state property.

Before this, Samdech Preah Norodom Sihanouk had said that as the SNC chairman he had no administrative powers to prevent corruption in Cambodia.

Western analysts said corruption within the Cambodian Government, installed by the Vietnamese at the end of 1979, has peaked since the signing of the Paris peace accord on 23 October 1991 to end the 13-year Vietnamese war in Cambodia.

The State of Cambodia's Hun Sen government is currently under heavy pressure from demonstrators who staged widespread heated protests against its unprecedented corruption in Phnom Penh this week.

Japan Pledges \$1 Million in Aid for Refugees

BK2212072991 Phnom Penh SPK in English 0454 GMT 22 Dec 91

[Text] Phnom Penh SPK December 22—Japan has promised to give one million U.S. dollars as urgent aid to Cambodian war refugees and flood victims.

The promise was made by Mr. Seiji Kojima, director in charge of research and planning of the Economic Cooperation Bureau of Japan, during his meeting there recently with Cambodian Foreign Minister Hor Namhong.

Mr. Seiji Kojima is leading a Japanese Foreign Ministry delegation to visit Cambodia.

During the talks, focussed on the cooperation between Cambodia and Japan and the assistance of Japan to Cambodia, Hor Namhong, who is also member of the Supreme National Council of Cambodia (SNC), expressed the urgent aid of Cambodia to reconstruct the country.

He asked Japan to give urgent aid to war refugees and flood victims in Cambodia and to consider its possibility in assisting Cambodia in building the infrastructure in the country.

He also asked Japan to send Japanese specialists to help Cambodia and to give scholarships to Cambodian students for further study in Japan.

In reply, Mr. Seiji Kojima said he would discuss the request with the Japanese Government.

Also present on that occasion, were Mrs. Yu Ouy, head of the Economic and Cultural Cooperation Department of Foreign Ministry of the State of Cambodia, and Yukio Imagawa, Japanese ambassador to the SNC.

Indonesia

Australia's Foreign Minister Arrives for Visit

Comments on Dili Incident

BK2012054691 Jakarta ANTARA in English 0433 GMT 20 Dec 91

[Text] Jakarta, Dec 20 (ANTARA)—Australian Foreign Minister Gareth Evans said the discussions that he will have with Indonesian authorities on the November 12 incident in Dili would not be based on Australian or western values, but universal standards.

Senator Evans was speaking to the press upon arrival at the Sukarno-Hatta Airport here Thursday morning where he was welcomed by Foreign Ministry's protocol chief Ambiar Tamala and Asia-Pacific Affairs director Kusnadi Pujiwinarto as well as the Australian Ambassador Philip Flood.

He was later driven to the Foreign Ministry for a meeting with Foreign Minister Ali Alatas.

The talks lasted about three hours in the presence of Political Affairs Director General Wiryono Sastrohandoyo and Indonesian ambassador to Australia Sabam Siagian, while Evans was flanked by Philip Flood.

The two foreign ministers told the press after their meeting that they only had an exchange of views on the Dili incident.

Alatas on the other hand said he had made several comments on what Evans had said at the meeting.

The talks between the two will be continued later in the evening.

Evans, now for the sixth time in Indonesia in his present capacity, is in the company of 17 Australian newsmen.

On Friday, Evans is scheduled to meet with Minister/State Secretary Murdiono and House Speaker Kharis Suhud, and before leaving the country Saturday morning he will again meet the press.

Meets Foreign Minister Alatas

BK2012111291 Jakarta ANTARA in English 1034 GMT 20 Dec 91

[Text] Jakarta, Dec 20 (ANTARA)—Foreign Minister Ali Alatas does not expect any significant change in Australian foreign policy despite change in the country's premiership from Bob Hawke to Paul Keating.

In a parliamentary voting on Thursday, Paul Keating beat Bob Hawke 56 to 51, opening the way for Keating to replace Hawke.

Asked to comment, Alatas said: "Conflict within the (ruling) Australian Labor Party had been notable for some time. That a voting was to come to resolve the discord had also been expected."

However he believes that as the change is within the same party, there will be no significant impact on Australian foreign policy.

Furthermore disputes within the Labor party deal mainly with domestic policy issues, he noted.

On his two sessions of talks on Thursday with visiting Australian Foreign Minister Gareth Evans, Alatas said his counterpart was still to meet several other Indonesian leaders, including Minister/State Secretary Murdiono, so he would reserve comment until it's time for him and his guest to make statements.

Meets House Speaker 20 Dec

BK2112013091 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 21 Dec 91

[Text] Kharis Suhud, speaker of the House of Representatives and the People's Consultative Assembly of the Republic of Indonesia, has made it clear that good relations between Indonesia and Australia should not be affected by the Dili incident because the incident that took place around the Santa Cruz cemetery had surprised not only foreigners but the Indonesian Government and people as well. Speaking after receiving Foreign Minister Gareth Evans in Jakarta yesterday, Kharis Suhud made it clear that the Dili incident did not represent the Indonesian Government's policy and it could not subsequently be equated with the Tiananmen incident in China and the suppression in South Africa.

Kharis Suhud said that the intention of some countries to halt their aid to Indonesia in the wake of the Dili incident would be tantamount to an act of trying all Indonesian people even though the action might be intended to punish certain groups.

Kharis Suhud believed that Australia and Indonesia should undertake good cooperation on the basis of mutual interests, including cooperation in the exploration of oil in the Timor gap.

Comments on Foreign Policy

*BK2012120691 Jakarta ANTARA in English 1034 GMT
20 Dec 91*

[Text] Jakarta, Dec. 20 (ANTARA)—Australia's foreign policy towards neighbouring Indonesia will remain unchanged although there has been a change in leadership in that country, Australian Foreign Minister Gareth Evans stated here on Friday.

"(There will be) no change," He said when asked about his country's foreign policy towards Indonesia after former Finance Minister Paul Keating was chosen as Australia's new prime minister replacing Bob Hawke following the latter's defeat in a vote in a recent Labour Party caucus.

Evans, who is Bob Hawke's supporter, refused to comment on Hawke's defeat after a dinner with Indonesian Foreign Minister Ali Alatas on Thursday and remained so Friday before his planned meeting with Minister/State Secretary Murdiono.

Political observers in Indonesia considered the leadership change in Australia a normal thing and an internal [matter] of the country concerned.

House speaker Kharis Suhud said he hoped Keating could create a better neighbourly relationship between the two countries.

He said Indonesia's relationship with Australia had often been disturbed because of untrue reports from that country's print and electronic media.

Vows 'To Press' E. Timor Matter

*BK2112132591 Hong Kong AFP in English 0801 GMT
21 Dec 91*

[Text] JAKARTA, Dec 21 (AFP)—The time is not yet right for Australia to set up a consulate in East Timor, Indonesian officials have told Australia's Foreign Minister Gareth Evans.

But Evans, speaking to reporters Saturday at the end of a three-day visit, said he would continue to press the matter.

"The response I have had from the Indonesian side is 'belum'," Evans said, using the Indonesian word for "not yet."

"Specific reasons have been put in terms of insufficient commerce, and other context existing between Australia and that part of the country in particular, to justify such a move at this time," he said.

"There is also, obviously, a special sensitivity associated with the establishment of a consulate at this time. I have to accept this response at this stage, but this is an issue I would be further pursuing."

There are presently no foreign consulates in East Timor, a former Portugese colony annexed by Indonesia in 1976 but still regarded by the United Nations as being under Lisbon's administration.

Evans came to Jakarta to press Australia's concern about the army shooting last month on a crowd in East Timor's capital Dili who had been mourning the killing of a young East Timorese nationalist.

The army has said 19 people died and 91 were injured in the November 12 incident, and that its troops had acted in self-defense. Others say more than 100 were killed and that the shooting was unwarranted.

During his stay Evans met his Indonesian counterpart Ali Alatas, Home Affairs Minister Rudini, State Secretary Minister Murdiono and House Speaker Kharis Suhud.

He failed to see President Suharto, Defence Minister Benny Murdani and General Try Sutrisno, chief of the Indonesian armed forces.

But Evans said: "I am under no doubts whatsoever... that the themes of my discussions here have been directly and comprehensively communicated to these gentlemen."

He said one of the difficulties had been the precise timing of his visit, coming as it did at "a particularly sensitive and delicate stage" and with an Indonesian Government inquiry into the Dili shooting close to conclusion.

The National Investigative Commission, set up by Suharto a week after the shooting and known by its Indonesian initials KPN, is expected to complete its report by the end of the month.

Evans said that in his meetings here, he made suggestions on the inquiry process, including an advisory role for the United Nations and political and economic ideas to bring about a reconciliation in East Timor.

These ideas would include a reduced military presence there, he said.

Evans met the press Saturday alongside Alatas, who called on the international community to show self-restraint in reacting to the Dili shooting.

"You have been telling us how to handle this," Alatas said. "Don't rub things the wrong way. Don't exaggerate. Don't insinuate where there is no reason to do so."

He said the shooting happened under very difficult circumstances, and that besides having expressed regrets over it, the government had set up the KPN to look into all its aspects.

"Give the benefit of the doubt. Give the commission a chance to come out with a report," Alatas said.

Several governments have said they would suspend new financial assistance to Indonesia, some in protest over the Dili shooting and others pending the results of the KPN inquiry.

Refused E. Timor Consulate Request

BK2212072291 Jakarta ANTARA in English 0450 GMT 22 Dec 91

[Text] Jakarta, Dec 21 (ANTARA)—Indonesia disapproved Australia's request to set up its consulate in East Timor as it did not match substantial requirements, Indonesian Foreign Minister Ali Alatas said here Saturday. After giving a press conference together with his Australian counterpart Gareth Evans, he pointed out: "We consider that the proposal cannot be realized."

He explained that the substantial requirements stipulated among others that a country wanting to open a consulate in a province had to have many citizens there and it had an increasing trade relations with the region.

"Australia does not have many citizens in East Timor and its trade with the region hasn't yet reached a condition in which it needs to set up a consulate."

Besides, such a consulate would bring negative impacts on the two countries' relations or could be used by certain groups to benefit their aims of worsening bilateral relations.

'Pleased' With Results of Talks

BK2212051891 Jakarta ANTARA in English 0440 GMT 22 Dec 91

[Text] Jakarta, Dec 22 (ANTARA)—Australian Foreign Minister Gareth Evans said here Saturday he was pleased with the results of his talks with the Indonesian Government officials on the recent Dili incident in East Timor which claimed 19 lives.

"I am satisfied because Indonesia has agreed [to] my suggestion to initiate talks on the incident. Now I can see a solution in the near future," he told a press conference after concluding his three-day visit to Indonesia.

Senator Evans, who was accompanied by Indonesian Foreign Minister Ali Alatas at the press conference, said it was too early to get clear details of the result of the investigation conducted by the National Investigation Commission (KPN) as it was not finished yet.

Before the press conference, which was attended by Australian Ambassador to Indonesia Philip Flood and Indonesian Ambassador to Australia Sabam Siagian, Foreign Minister Evans and his counterpart Ali Alatas held a brief meeting, after having some private talks during his three-day official visit.

Evans, who arrived here last Thursday, had also held meetings on the Dili incident with Minister/State Secretary Mardiono and Indonesian House Speaker Kharis Suhud.

On Friday, he had a dialogue with a number of chief editors of the Indonesian media at the residence of Ambassador Philip Flood.

At the press conference Evans said: "I have got the impression that the Dili incident had come to a great attention of Indonesians. There were no officials here who said the incident was only a trivial one. And also none of them said it wasn't Australia's or international society's business."

As to the possibility of the United Nations (UN) secretary general's plan to send his envoy to Indonesia, he said the Indonesian Government had informed him that the envoy would be welcomed as long as the purpose of the visit was to discuss some aspects of the Dili incident and not to investigate it.

This was confirmed by Foreign Minister Ali Alatas, who noted such a plan was not new since Indonesia and Portugal, under the guidance of the United Nations, have continually held dialogues to solve the East Timor problem since 1983.

"Based on such a cooperation, we accept the secretary general's plan to send his envoy. But if they come here to investigate the incident, they have, first of all, to meet the prevailing procedures in the UN and the human rights commission," he pointed out.

"We don't like the procedures [to] be broken and I think that is our legitimate position," he stressed, adding, "We have been years cooperating with the UN Human Rights Commission."

Alatas told the press the KPN had conducted a two-week investigation in East Timor and expressed the hope that the press would wait for its result patiently.

Official Views Australia's New Prime Minister

BK2012124691 Jakarta ANTARA in English 1034 GMT 20 Dec 91

[Text] Jakarta, Dec 20 (ANTARA)—Australia's new Prime Minister Paul Keating is expected to see Indonesia-Australia relations more realistically in the future, Deputy Chairman of the House Foreign Affairs Commission Theo L. Sambuaga has said.

Keating, previously Australian Finance Minister, has different personality with Bob Hawke, Sambuaga said when contacted by phone here on Thursday night.

Keating and Hawke belong to the Labour Party, but the former has more experience in the economic field and his views on Indonesia could be very much based on practical and realistic economic considerations, the MP said.

The pragmatic views cannot be influenced very much by voices of the left wing in the Labour Party which has so far tried to disturb the good relations between Indonesia and Australia.

Sambuaga said the left wing of the Labour Party was still influenced by Fretilin and Portugal, which often caused fluctuations in the relations between Indonesia and Australia.

If Keating focuses more attention on the economic interest of the two countries, the relations of both neighbouring states will become better in the future, the House Commission I Deputy Chairman said.

According to Sambuaga, Keating is the architect of the Australian economy during Bob Hawke's leadership. But in the face of the opposition party, the Labour Party thinks Hawke needs to be replaced by Keating.

The Labour Party under the leadership of the younger generation is expected to be more solid in facing the opposition, he said.

Meanwhile, Dr. Amin Rais of the Social and Political Faculty of the Gajahmada University said the change in the Australian leadership is just a normal thing which is fully internal affairs.

Indonesia's position towards the change in the leadership is neutral. "Indonesia's attitude is neutral, neither sad nor happy," He added.

The ouster of Bob Hawke who has been nearly nine years in the leadership, according to Rais, is due to economic issues where a recession has occurred in the country for almost 18 months.

He expressed his hope that the new Australian premier would be more realistic in seeing the November 12 incident than Hawke who had made not too sympathetic comments on the incident.

Therefore, he added, the two states should continue to maintain the existing friendly relations.

According to Rais, Keating would be sympathetic to the press in Australia if it would not comment on the incident before the announcement of the result of the national enquiry commission.

The Australian press has shown a positive sign in the last several days, reducing biased reporting on the Dili incident, he said.

"The incident is only a small thing compared with the interest of Indonesia and Australia in maintaining their good relations," He added.

Officials Discuss Australian Ties, Dili Incident

BK2012034191 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 20 Dec 91

[Text] Parliament Speaker Kharis Suhud has expressed the hope that Paul Keating, the new prime minister of Australia, will be able to promote sound neighborly relations between the two countries.

Reacting to the change in Australian leadership, Kharis Suhud called on Premier Paul Keating to further improve Indonesian-Australian relations which were marred due to damaging reports on Indonesia by the Australian mass media.

Meanwhile, the Chairman of Parliamentary Commission II, Raja Khamis Biring Meliara, urged Premier Paul Keating to remind Australian citizens not to be easily upset and influenced by disproportional news reports, especially those on the Dili incident which occurred in mid-November. Meliara expressed the hope that Paul Keating will call on his people to create a pleasant atmosphere for the two countries because this is the only way to wipe out the negative attitude and suspicion against Indonesia that is widespread in Australian society.

Speaking on the same subject, a member of Parliamentary Commission I, Marzuki Darusman, said that the Indonesian Government and people had indicated to new Premier Paul Keating Indonesia's stand on the East Timor Issue, and its stand against particular persons who reside in Australia that had been interfering with Indonesia's affairs.

In the meantime, an observer on international politics, Amin Rais, considers the change in Australian leadership from Bob Hawke to Paul Keating a normal event and strictly Australia's internal affair. Amin Rais, who is also the Dean of Faculty of Socio-Politics in Gajahmada University, Yogyakarta, said the change in Australian leadership brought a ray of hope that Keating would react more positively in Indonesia's favor concerning the Dili incident, compared to his predecessor's reaction. This is necessary for maintaining bilateral relations between the two countries. Amin Rais also hopes that the new Australian leader will not be influenced by occasional protests demonstrated by labor groups that are impolite to Indonesia.

Pertamina Plans Long-Term LNG Sale in 1994

BK2012142391 Jakarta ANTARA in English 1034 GMT 20 Dec 91

[Text] Jakarta, Dec 20 (ANTARA)—President Director of the state-owned oil company Pertamina [National Petroleum Corporation] Faisal Ab'dau said Friday Indonesia would not sell liquefied natural gas (LNG) on short term basis as of 1994.

After the signing of a contract on additional sales of LNG between Pertamina and Korea Gas Corporation, he said Pertamina was currently still serving short term sales of LNG based on two-year contracts.

As of 1994, he stressed, Pertamina will sell LNG on long-term basis only, no less than 20 years.

The contract just signed was for additional supplies of LNG to Korea totalling 500,000 tons in 1992 and 800,000 tons 1993.

Pertamina and Korea Gas Corporation have cooperated since 1986 in the sales of LNG amounting to two million tons in a long term contract basis.

In 1990, Korea imported 2.3 million tons of LNG from Indonesia.

On the occasion, Ab'dau explained that his party was seeking an additional revenue for supporting the state budget.

The additional income was earned from the sales of LNG, while that of crude oil was much affected by the quota and price fluctuation, he noted.

In a ten month period starting from March to December of 1990, Pertamina has earned 10.4 trillion rupiahs of oil and 2 trillion rupiahs of gas, accounting for 83 percent of the 15 trillion rupiahs target in the oil and gas sector.

In the future, earnings from LNG will be further increased to support the state revenue from the oil and gas sector.

Philippines

IMF Delays Economic Stabilization Program

HK2312104591 Hong Kong AFP in English 1023 GMT 23 Dec 91

[Text] Manila, Dec 23 (AFP)—The International Monetary Fund (IMF) has delayed judging the Philippines' economic stabilization program until next month, stalling the release of 450 million dollars in loans, officials said Monday.

Finance Secretary Jesus Estanislao told reporters an IMF mission which reviewed the country's economic program earlier this month under an 18-month, 960 million-dollar standby arrangement, would release its findings to the IMF executive board on January 25.

The mission had earlier agreed to release its findings by mid-December, but was holding out "in the hope that more tax reform measures will be passed before that date," he said.

The IMF, which has advised Manila to control its budget deficit, would like the Philippine congress to pass four crucial revenue measures that would bring in at least eight billion pesos (296 million dollars) to the government, he said.

Congress, currently in recess, held a special session last week to tackle the proposed measures, but the senate was sidetracked by a leadership fight and subsequently failed to act on the pending bills.

Estanislao said an IMF seal of approval would unlock 450 million dollars from the standby arrangement with the fund, and pave the way for fresh consultative meetings with the country's foreign aid donors.

Military Chief Rejects Peace Talks With Rebels

HK2312044991 Manila BUSINESS WORLD in English 23 Dec 91 p 16

[By Ma. Caridad S. Bautista]

[Text] The possibility of holding another round of peace negotiations with the rightist rebels has been ruled out by the military, Armed Forces of the Philippines (AFP) chief of staff Gen. Lisandro C. Abadia yesterday indicated.

In an interview, he said the leaders of the Rebolusyonaryong Alyansang Makabansa-Kawal [Revolutionary Nationalist Alliance-Soldier of the Filipino People] ng Sandatahang Pilipino-Young Officers' Union (RAM-KSP-YOU) have gone "deeper into the underground" and adopted a modified security system to avoid getting caught.

"He (rebel leader Gregorio Honasan) has been moving from one place to another, there were changes in their safehouses, they have gone very deep," Gen. Abadia said.

Aside from Mr. Honasan, ten more rightist leaders are still in hiding, including the member of the RAM-KSP-YOU core group—Jose Ma. Zumel, Domingo Calajate and Felix Turingan.

Government has ordered the resumption of operations against the rebels after the peace initiatives failed. While announcing a unilateral ceasefire against the communist rebels for 72 hours each on Christmas and New Year's, President Aquino ruled out a cessation of operations against the rightist rebels.

At the same time, Gen. Abadia denied Mr. Calajate had sent him a message saying the military rebels were willing to have another round of peace initiatives.

"Do you think, knowing him, he would do that?" he told reporters recently.

Gen. Abadia also admitted last Friday there was a new threat from the ultra-rightist groups which prompted the military to place some units on the alert last weekend.

"There were reports that they (military rebels) will try to spring detained officers," he said in an interview.

He added the alert lasted for only 24 hours and was lifted after the report did not materialize. He said the military has remained on the lookout, however, in the event rightist rebels launch moves to destabilize the Government.

Gen. Abadia has reportedly denied having placed the military on red alert since he became chief of staff last April.

He once said he was proud of having provided stability to the country for six months.

Military Suspends Operations for Christmas Truce

*HK2312033291 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 22 Dec 91*

[Text] The government suspended all military operations against communist rebels at 0001 as the 72-hour Christmas truce took effect. The three-day cease-fire, which will end on 25 December at 2359, is based on a directive issued by President Corazon Aquino. A similar cease-fire will be enforced by the Philippine Armed Forces from 30 December to 1 January 1992. President Aquino said that a cease-fire has traditionally been observed on Christmas Day. This is the sixth cease-fire to be observed under the Aquino administration. The cease-fire will give the government soldiers and the communist rebels the opportunity to relax and be with their families on Christmas Day and New Year's Day. Earlier, the National Democratic Front [NDF] declared a five-day cease-fire which will take effect on Christmas Eve and will end at the first hour of 2 January 1992. The NDF's cease-fire will be divided into two parts like that of the Aquino government.

Military, NPA Endorse Church Ceasefire Proposal

*HK2312040391 Manila PHILIPPINE DAILY
INQUIRER in English 23 Dec 91 p 1*

[By Sid Balatan and Joel Jabala]

[Excerpt] Communist guerillas and military officials yesterday endorsed a Church proposal for 22-day cease-fire in Northern Luzon to pave the way for the release of an ex-US Army colonel held captive by the rebels.

Military officials agreed to the Church proposal for a 22-day ceasefire during a dialog with religious and local leaders who are negotiating for the release of exCol. Arby Duane Drown.

"We hope that this Church-initiated ceasefire would lead to a lasting political settlement of the armed conflict," said Col. Edgar Galvante, Cagayan police chief.

A New People's Army spokesman, who identified himself only as Ka Roger, said in a 45-minute Radio interview that the NPA Northern Luzon Command will welcome a 22-day truce.

As a gesture of goodwill and sincerity, Ka Roger said the NPA "will be releasing two more POW's together with the American captive."

Drown, 60, was seized by NPA guerillas in October 1990 during rebel operations on the boundary of Cagayan and Kalinga-Apayao.

Sources said Brown would be released as soon as details for a two-phase ceasefire are worked out.

Cagayan Gov. Melvin Vargas and military officials proposed that the first phase involve a 10-day period of "trust building and cessation of direct armed confrontation," followed by a two-day assessment.

If the first phase is successful, military and NPA officials may hold direct talks for another 10 days.

Fr. Roger Ubga-An, executive secretary of Association of Major Religions Superiors in the Philippines, expressed hope the ceasefire in Cagayan Valley "would lead to the realization of the need for peace talks on the national level." [passage omitted]

Agriculture Department Seeks Vietnamese Ties

*HK2312042391 Manila BUSINESS WORLD
in English 23 Dec 91 p 16*

[By Genevieve I. Soledad]

[Text] At this early stage, the Philippines should already link up with Vietnam in developing each other's agriculture sector to avert possible future competition for common markets, opined Agriculture Secretary Senen C. Bacani in an interview with Business World.

Earlier, the Vietnamese vice-minister had approached the Department of Agriculture (DA) to ask for technical assistance in developing three of their agricultural industries, namely: 1) banana; 2) pineapple; and 3) fisheries.

Vietnam relies on its agriculture sector as a major source of export products. As of 1989, it shipped some \$180 million worth of seafoods, \$65 million worth of forest products, and \$725 million worth of other agricultural products including rice.

The Philippines has also been competing closely with Vietnam for the highly lucrative Japanese prawn market.

This year, the Philippines displaced Vietnam from its position as the fifth major exporter of prawns to Japan.

The Philippines exported to Japan worth \$96.76 million during the first five months of this year. On the other hand, Vietnam only shipped 7.36 million kilograms worth \$36.37 million.

Industry leaders have aired warnings that sharing Philippine technology with the less-developed Vietnam would not be a wise move at all since the latter could pose as a major competitor for the Philippines' agricultural product markets.

But, Mr. Bacani reasoned that if the country declined from giving help to the Vietnamese, "then they can easily go to another country for technology."

"We must learn and see how we can complement each other. We should first see how we can complement each other rather than compete," he said.

The agriculture chief will be going to Vietnam during the first quarter of next year to study possible areas where the two countries could possibly link up.

"We could learn from Vietnam. For one, they have a better irrigation system and labor costs there are cheaper compared to ours," Mr. Bacani further explained.

Sources also pointed out that one of the local agriculture sectors to benefit from this partnership is the seaweed industry.

Once developed, Vietnam's seaweed sector could ultimately threaten the Philippines' own export market.

Thus, a harmonious partnership could mitigate possible cutthroat competition between the two countries.

Thailand

Reportage on Anan's Trips to U.S., Japan

Anan Discusses Political Problems

*BK2012131391 Bangkok NAE0 NA in Thai
20 Dec 91 p 14*

[Text] Prime Minister Anan Panyarachun met a group of Thai residents in Los Angeles at 1800 on 18 December. On that occasion, the prime minister talked to the Thai residents about problems in the country. He said that the vote-buying problem could not be totally eliminated because the Thai people still are not well enough educated and do not have a good understanding of democracy.

Responding to a question by a representative of the Thai residents in Los Angeles on how the government will solve the vote-buying problem since it is difficult to have a vote-buying free election as long as the people are still poor, the prime minister replied that although there are bad MPs, there are still a lot of good ones. He said he wanted to see democracy last forever with regular elections so that good people can become MPs, which will enable us to have a good quality government. Vote-buying exists everywhere, even in the United States, but political parties in the United States can openly receive donations while this is not done openly in Thailand. We should make it legal for political parties to receive donations.

"When the people are poor and do not have an understanding of democracy, they will unwittingly be inclined toward a person when they receive money from him. This problem is difficult to resolve. The enactment of a law in this regard will also not work. For example, people still commit murder even though there are laws forbidding it. Religion may play a better role. So, this problem cannot be solved completely as long as the people do not receive higher education and better pay. However, we will try our best to solve this problem," the prime minister said.

He was next asked what he would do if the people want him to become the next prime minister. The prime minister said that there was no mechanism to allow a person to know how much he is wanted by the people if he does not run in the general election. Asked whether he will run in the upcoming general election, the prime minister replied that "it is unlikely. I have already said several times that I entered into politics by accident. I am not a politician. I was approached to enter politics

many times in the past. I know that I do not have the qualities of a politician. I have been in this post for about a year and have exercised patience in the face of criticism. I admit that other people can lie better than I can. I would like to be an ordinary person who can wear slippers and go where he pleases."

Another Thai resident then raised a question about whether or not we can adopt the U.S. military system and allow military leaders to remain in posts for about 15 to 16 years and then retire as civilians in order to prevent coups, or whether we should reduce the number of generals. Anan said that the military is now trying to improve the system. However, this is not an easy task. It is sad that Thai society still distinguishes between the military and civilians.

"In the past, I was regarded as a person who disliked the military. I had been accused of being a communist by some military officers. But now they have invited me to take up the prime minister's post. This shows that society has changed. The Thai people tend to forget things easily. They are not ideological. Their principles change with time. This issue will take some time. I have never distinguished between the officers and civilians in the cabinet. When I call them, I will address them as Mr. Itsaraphong (General Itsaraphong Nunphakdi, interior minister) and Mr. Wirot (Wirot Saengsanit, deputy communications minister). It would be unwise if we form an aversion to the soldiers. They are also Thai people. The soldiers have already changed a lot. I think there is little chance of a bloody coup like in the past because the children of the soldiers are also studying at Thammasat University and Chulalongkorn University. The children may remind their fathers. But, a power seizure without shooting still cannot be ruled out. It is time for us to forget these things," the prime minister said when expressing his views on the military circle.

Asked whether or not it is possible to remove military units from Bangkok as a means of preventing coups, Anan said that coups depend on the people. A coup will fail if people do not support it. No coup will succeed if the people come out to oppose it, like in the Soviet Union.

Meanwhile, the prime minister will leave Los Angeles at 1130 on 19 December aboard a Thai Airways International flight and is scheduled to arrive in Bangkok at 2230 on 20 December.

Anan Returns Home 20 Dec

*BK2112010291 Bangkok BANGKOK POST in English
21 Dec 91 p 1*

[Text] Prime Minister Anan Panyarachun returned home last night from an overseas visit that took him to Japan and the United States.

The Premier declined to comment on local political issues as reporters flooded him with questions, saying only that he had just arrived from a long overseas trip and was in no position to make any comments.

Today he will meet his top aides and deputies to discuss local developments while he was away.

When reporters asked him where the meeting will take place, Mr Anan refused to reveal the venue.

The Premier however briefed reporters about his activities in Japan and the U.S. during a press conference shortly after his arrival at 10.45 P.M.

Briefs Reporters on Trip Results

*BK2112035791 Bangkok Radio Thailand Network
in Thai 0000 GMT 21 Dec 91*

[Text] Yesterday evening, Prime Minister Anan Panyarachun and his party returned to Thailand following their 12-day visits to Japan and the United States. They arrived at the Don Muang Airport at 2250. The prime minister briefed reporters on results of the trip:

[Begin recording] The first objective of our visits to the two countries was to strengthen relations between our government and theirs. The second objective was to meet with leading figures of the governments of the two countries. The meetings with them were at the highest level and the discussions were held in an open and friendly manner between friendly countries sharing similar views on various issues.

Apart from meeting with government leaders, we also met with businessmen in various fields. In Japan, we had an opportunity to meet with chairmen of various companies on their special requests. We also met with a group of senior bankers, chairmen, and directors of various automobile companies. In the United States, we met with businessmen and chairmen of several major companies.

The talks with government leaders and businessmen provided me with opportunities to explain to them the policy of Thailand's present government, various measures we have carried out, and what we plan to do in the future.

In addition, we also had opportunities to meet Thai residents in different places. In Japan we met a group of Thai residents—most of them were students attending schools and colleges there. In the United States we met Thai residents in New York, Washington, and Los Angeles. On the last day of the trip, we met Thais at a Thai Buddhist monastery. It was a large, famous monastery in Los Angeles which has also been used partly as an academic institute for Thai students in Los Angeles. [end recording]

To reporters' questions on the results of his consultative meeting with U.S. President George Bush, particularly about the drug patent bill issue, the prime minister said that he was satisfied with the results of the meeting and consultations.

[Begin recording] We informed our U.S. counterpart what measures we have carried out, particularly in the National Assembly. We told them that a draft patent bill was submitted to the National Assembly and has been

passed into law. I feel that they were fairly satisfied with the measures we have carried out. The United States' decision to terminate its investigation of copyright enforcement is an indication of what they are giving us in return for the considerable progress we have made on the patent issue. At the same time, however, there is still need for Thailand to try to actively carry out enforcement of the law on the patent bill. At present, there are still some problems concerning methods of investigation and legal procedures in court trials. On this, it is the duty of the Thai Government to try to make such procedures and measures function quicker and more efficiently under Thai law. [end recording]

The prime minister has called a special meeting of the Cabinet at Government House starting at 1100 today to discuss official affairs and to hear reports on the progress of work and activities carried out during his trip abroad.

Editorial Comments on Trips

*BK2012144591 Bangkok THAI RAT in Thai
20 Dec 91 p 3*

[Editorial: "How Does America View Thailand?"]

[Text] Many Thai, Japanese, and American people are watching with skepticism the visit to Japan and the United States by Prime Minister Anan Panyarachun and his entourage because the Thai Government is not yet recognized by Japan and the United States, the two leading countries in the world, after the February coup.

However, because of the current world situation, these two economic superpowers cannot completely shun Thailand. Politically, these two countries have not extended full official recognition to Thailand. However, in practice, they have already accepted us to some extent, which enables us to see how the governments and businessmen of those countries view Thailand economically.

Today, we will not discuss politics but will pay special attention to economics. It is very strange that during the visit to Japan, the prime minister's delegation suggested a new investment form which Japan has never tried before. When the Japanese go to invest in other countries, they do not like to enter into joint ventures with other entities including the host countries except when legal restrictions require it. But, this time we suggested that Thailand and Japan become partners for joint investment in the three Indochinese countries.

This suggestion is being mentioned now because Japan itself is also unsure about investment in Indochina. So, it will be good for Japan if it has Thailand to share the risk. The prime minister's meetings with leading businessmen in the United States enabled us to discover that U.S. businessmen are interested in the Southeast Asian market. They are calling on the U.S. Government to lift its economic sanctions against Vietnam because the sanctions have caused the businessmen to lose out on a good opportunity. At the same time, they have called on Thailand to improve its deep-water port on the eastern

seaboard so that it can become an important regional port, especially for business in Indochina.

At present, U.S. businessmen who do business in this region are based in Hong Kong. Because they are interested in the three Indochinese countries, they are looking and studying to find another base in Thailand, especially since Thailand has been improving some financial and banking regulations to make the country a regional financial center.

We will not say whether the prime minister's visit to Japan and the United States was right or wrong. We just want to warn that since the prime minister has already done a lot for the country, it is now time for government officials to be prepared for national progress.

Official: Events in Cambodia Cause Deep Concern

*BK2312012591 Bangkok BANGKOK POST in English
23 Dec 91 p 1*

[Text] Thailand considers the riots in Phnom Penh following anti-corruption protest "strictly domestic affairs of Cambodia" and no outsider should intervene, a senior government official said yesterday.

However, Thailand viewed the events, which may endanger the fragile Cambodian peace process, with deep concern, he said on condition he was not identified.

"All parties must help overcome this very delicate situation and sustain the peace momentum," he said.

Prince Norodom Sihanouk "can help (restore normalcy to the (capital) if he wants to," said the official, who recalled the magnitude of the prince's appeal all over the Phnom Penh-controlled media in the aftermath of his historic homecoming to Cambodia last month.

It is "extremely difficult" for Thailand to play host to another inter-Cambodian meeting, or a Phatthaya IV, in view of the riots.

The most recent of Phatthaya meetings was held earlier this month for Cambodian leaders of the Supreme National Council to address security questions after Khmer Rouge leaders Khieu Samphan and Son Sen were almost lynched by what was viewed as staged demonstrations that slipped out of control.

Asa Views SNC Meeting, Recognition of Russia

*BK2312135391 Bangkok Army Television Channel 5
in Thai 1230 GMT 23 Dec 91*

[Text] Foreign Minister Asa Sarasin believes Thailand will not host any further Supreme National Council (SNC) meetings, expressing confidence that future SNC meetings will be held in Cambodia. He thinks the current domestic problem which could affect the Cambodian peace plan will be resolved next week. He learned that Prince Norodom Sihanouk had asked the Palestinian Liberation Organization delegation, Khieu Samphan, and Son Sen to postpone their visits to Cambodia temporarily.

[Begin recording] [Asa in progress] ...return to normal the soonest.

[Unidentified reporter] Do you think Bangkok will have to host SNC meetings again?

[Asa] I am confident that no more SNC meetings will be held in Thailand, because every faction decided in Phatthaya that they would certainly meet in Phnom Penh and because recent events had nothing to do with opposition to the Khmer Rouge. This was just an internal affair of Cambodia. [end recording]

The foreign minister also said Thailand will probably want to wait and see how other countries treat the issue of recognition of the Commonwealth of Independent Soviet States.

[Begin recording] [unidentified reporter in progress] ...the Soviet ambassadors abroad will have to learn about the situation in their country.

[Asa] Everyone is kind of confused. But it appears that Russia will act on behalf of the Soviet Union in virtually every field, including the seat in the United Nations. This will mean that the Soviet ambassadors abroad will become the Russian representatives. [end recording]

Hanoi Said To Want Stronger Military Ties

*BK2112011391 Bangkok THE NATION in English
21 Dec 91 p A2*

[Text] Army Commander in Chief Gen Suchinda Krapayun will make a three-day official visit to Vietnam from January 6 to 8 to promote bilateral relations between the two countries.

Suchinda, also the supreme commander, said yesterday that Hanoi wanted to strengthen military ties and had invited him long ago to visit the country. He added that there was no fixed agenda as to his topics of discussion with the Vietnamese leaders.

The trip, he said, was like any other ordinary visit to promote bilateral ties, and as the Vietnamese political leaders had already hosted Thai Foreign Minister Asa Sarasin, so the Vietnamese military chiefs now wanted to invite Thai military leaders as well.

The army chief said he has not made any special preparation for the visit and would hold ordinary talks with his Vietnamese hosts.

Suchinda has been very critical of Vietnam and its leaders. Recently he accused Hanoi and its embassy in Bangkok of secretly contacting and supporting Vietnamese here—a move which he said could jeopardize Thailand's national security.

He has often said Vietnam remains a threat to Thailand and criticized it for maintaining its Federation of Indochinese states policy.

—Suchinda, as deputy leader of the National Peacekeeping Council, yesterday said it could be considered ingratitude if the NPKC [National Peacekeeping Council] does not reward those who helped it during and after the Feb 23 coup that toppled the Chatchai government.

Suchinda said it is the duty of the NPKC to give them special rewards.

Asked what those government officials would do after the dissolution of the NPKC, Suchinda said they would return to their normal duties.

There was an earlier report that the NPKC would be dissolved once the new Parliament sits after the general election early next year.

The NPKC recently proposed that over 200 government officials get a two-step pay rise.

A source said the Government Screening Committee on security affairs had approved this proposed move for 40 officials from the Counter Corruption Commission, the Interior Ministry and the Budget Bureau on Wednesday and left the rest of the cases to be considered by Prime Minister Anan Panyarachun.

Meanwhile, Assets Examination Committee Chairman Gen Sit Chirarot said it was up to the government (to) give this reward. "Those who have done a good job should enjoy this measure," he said.

The committee was installed by the NPKC after the coup d'etat in February to investigate politicians accused of having amassed their assets illegally in the last administration.

Suchinda Said To Want Cam Ranh Base Visit

*BK2312014591 Bangkok THE NATION in English
23 Dec 91 p A1*

[Text] Army Commander-in-Chief Gen Suchinda Khrayayun has made a request to visit the Cam Ranh naval base during his upcoming trip to Vietnam on Jan 6-8, according to informed sources.

Suchinda would like to see Vietnam's biggest naval base for himself, the sources said, and decide once and for all whether it still remains a security threat to Thailand.

"Suchinda is hoping Vietnam's response will be positive to show its sincerity on security matters," said one of the sources.

A Bangkok-based diplomat, who is familiar with the Vietnamese thinking, described Suchinda's request as "very bold move."

"Vietnam's response could be either way," the diplomat said, adding that Hanoi is likely to scrutinize Suchinda's motive until the day of his departure before giving the final answer. "A bold request needs a bold answer."

If Vietnam agrees, Suchinda will be the first foreign dignitary to visit this strategic naval base, which has been off-limits for foreigners since the former American base was overrun by North Vietnamese troops in 1975.

Since then, it has been used by the Soviet navy and air force. The US Defence Department, in a report on the Soviet threat, had cited the Cam Ranh naval facilities as a threat to the security of the region.

But the end of Cold War and collapse of communism in the former Soviet Union has eroded its strategic relations with Vietnam, particularly the Cam Ranh naval base. Moscow said earlier it would withdraw its submarines and aircrafts from the base.

Suchinda told reporters last week his Vietnam trip was aimed at strengthening military relations between the two countries, following the visit of Vietnamese Prime Minister Vo Van Kiet to Thailand in October.

He is scheduled to meet top Vietnamese leaders including Gen Le Duc Anh, who is the No. 2 politburo member, and Defence Minister Doan Khue.

Both countries have agreed to exchange their defence attaches a few months ago, but no progress was made then.

Before Kiet's visit, Suchinda told the British Broadcasting Corporation during his visit to London that Vietnam's military ability and arms were considered a threat to Thailand's security. After his return, he also criticized the Vietnamese Embassy for contacting the Thai-Vietnamese people living in the country's north-eastern region.

Suchinda's remarks drew a quick reaction from Foreign Minister Asa Sarasin, who was on an official visit to Hanoi. Asa said Thailand and Vietnam were no longer enemies and were looking forward to more cooperation.

The same diplomat said Suchinda's request to visit Cam Ranh Bay carried much significance, especially regarding Thai-Vietnamese relations and Thailand's domestic issues.

"For example, the Vietnamese leaders do not want to be seen as supporters of Suchinda or whoever in Thailand is in contention for the upcoming premier's job," said the diplomat, who asked not to be identified.

A foreign ministry official said Suchinda would also visit Ho Chi Minh city, formerly Saigon.

After his trip, Prime Minister Anan Panyarachun is planning a three-day visit to Hanoi and Ho Chi Minh during the third week of January.

Kiet is planning a visit to Malaysia and other ASEAN countries next month before the scheduled ASEAN summit meeting in Singapore on Jan 28-29.

Burmese Troops Said To Burn Border Sawmills*BK2312013791 Bangkok BANGKOK POST in English
23 Dec 91 p 7*

[Text] Mae Sot, Tak—Burmese soldiers torched four Thai-operated sawmills on the Burmese border on Saturday, apparently in reprisal for their failure to pay protection fees demanded by Burmese army officers.

Large quantities of timber and logs as well as equipment worth several million baht were destroyed in the fires.

Police sources said the destruction of the four sawmills, located along the Moei River opposite Phop Phra District, followed a week long battle between about 200 Burmese troops from the 102nd infantry battalion and Karen rebels protecting the sawmills.

A sawmill operator told THE BANGKOK POST yesterday that the owners of the four sawmills had paid protection fees to both the rebels and the Burmese army.

He said the problem started when a new contingent of troops was rotated to replace the 102nd infantry battalion and the new commander demanded more pay as well as food supplies.

"When the owners failed to meet their demand, the Burmese troops torched the sawmills," said one of the victims, adding that the Burmese field commander was angry because he lost 13 of his men in an ambush by Karen rebels last Monday.

The incident forced other sawmill-owners to move their equipment across the border, the source said. There are about 50 sawmills operating in this area, he added.

It was also reported that the authorities in Rangoon had urged their Thai counterparts at a meeting of the local Border Committee in Myawadi to stop timber smuggling between Burma and Thailand.

Thai officials reportedly replied that they had already tightened up border checks to stop smuggling activities.

Suchinda Heads Delegation to Lao Border Meeting*BK2212013291 Bangkok BANGKOK POST in English
22 Dec 91 p 4*

[Text] Supreme Commander Gen Suchinda Khraprayun will head the Thai delegation at a meeting of the Thai-Lao General Border Peacekeeping Coordinating Committee in Bangkok tomorrow.

The Laotian delegation will be led by Defence Minister Lt-Gen Jummalee Xayyasom.

The Thai delegation is keen to discuss the repatriation of some 64,000 Laotian refugees in Thailand, according to an informed Interior Ministry source.

Thailand and Laos had earlier reached an initial understanding on the gradual repatriation of Laotian refugees from Thailand which was due to be completed by the end of 1994, the source said.

The repatriation plan will be funded by the United Nations High Commissioner for Refugees.

Gen Suchinda is scheduled to pay an official visit to Vietnam early next month to boost military relations. He will also meet top Vietnamese government leaders during his stay in Vietnam between January 6-8.

Interior Ministry Proposes 8 Mar Election Date*BK2112012391 Bangkok BANGKOK POST in English
21 Dec 91 p 1*

[Text] The Interior Ministry has proposed a Royal Decree to announce March 8 as election day and January 27-31 for contestants to file their candidacy, a source said yesterday.

The draft Royal Decree, which contains six articles, will go to the Cabinet on Tuesday, the source said.

NPKC Urged To Declare Method of Nomination*BK2212010691 Bangkok BANGKOK POST in English
22 Dec 91 p 1, 3*

[Text] Former Prime Minister Gen Chatchai Chunchawan yesterday urged the National Peace-keeping Council [NPKC] to declare publicly whether it wants to select the next prime minister or whether the task of nomination should go to the House Speaker.

"There is no need for interpretation (of the Constitution). You better ask them (NPKC), otherwise the controversy will drag on," he told reporters after delivering a speech, "Experiences as a Prime Minister", jointly organised by the Reporters' Association of Thailand and Ramkhamhaeng University's Political Science Faculty.

Gen Chatchai said he was confused by the sudden emergence of the controversy as to who—the NPKC chairman or the House Speaker—should have the responsibility to select the prime minister after the general election. Prime Minister Anan Panyarachun must be confused as well, he added.

The controversy stems from two apparently conflicting articles in the Constitution:

- Article 159 which stipulates that the House Speaker will countersign His Majesty the King's Royal Command appointing the prime minister; and
- Article 216 in the transitional provision of the Constitution which states that His Majesty will appoint the prime minister at the recommendation of the NPKC chairman.

The ex-prime minister charges that the Constitution had been written in a complicated way and was causing

confusion and generating controversy. "Only the NPKC will be able to clear the controversy," he added.

Gen Chatchai disagreed with several provisions in the charter and thought any amendments after the election are not possible.

"The Constitution cannot be amended. You shouldn't talk about it because it will not happen," said Gen Chatchai, noting that the 270 appointed senators will pose a major stumbling block to attempts to amend the charter.

"The Constitution should not be written for the benefit of a handful of people, but for the good of 59 million people," he said.

Gen Chatchai said he still subscribed to the notion that the Government should ask for a Constitution from the King.

"If the show is not good, don't buy tickets to see it," he said, referring to the Constitution and the Election Bill which is yet to go to the National Legislative Assembly for a final reading.

Asked about his political future, the deposed prime minister said he needs more time to make up his mind.

"I am 72 years old now and I doubt I can handle the rigors of the election which will take a lot of physical energy," he said.

Recalling his experiences during the premiership, Gen Chatchai said one of the most difficult issues he confronted was the selection of Cabinet ministers.

He said he wanted competent people to fill the Cabinet slots, but he had to choose among the elected MPs otherwise there would be problems in Parliament.

But he said he preferred one-third of the Cabinet to be selected from outsiders who are competent and qualified.

"Is there anyone who is more qualified than Khun Banhan (Banhan Sinlapa-achak) in Suphan Buri or than Khun Sano (Sano Thianthong)?" asked Gen Chatchai.

Asked to recall the February 23 military takeover, the ex-prime minister admitted that he had not thought a coup was possible in 1991.

He disclosed that Gen Athit Kamlang-ek, then deputy prime minister, warned him on February 22 of a possible coup to overthrow his administration and asked him to postpone his trip to Chiang Mai to seek an audience with His Majesty the King the following day.

Gen Chatchai was to accompany Gen Athit to seek His Majesty's approval over the latter's appointment as defence minister.

He said he told Gen Athit he could not postpone the audience with His Majesty because the move would have grave consequences if a coup did not take place as feared.

He said he told Gen Athit then "Let's face it. We will be called cowards if we don't go and nothing happens."

Gen Chatchai also said some senior military officers had been misled that they would be removed and decided to seize power.

He claimed he had not thought of meddling in the military reshuffle and disagreed with the generally-held view that in appointing Gen Athit as defence minister he was trying to counter-balance the power of a faction in the army.

NPKC Undisturbed by 'Antimilitary' Remarks

BK2312144991 Bangkok Radio Thailand Network in Thai 1200 GMT 23 Dec 91

[Text] Prime Minister Anan Panyarachun spoke to reporters today after joining others for lunch with National Peacekeeping Council (NPKC) Chairman General Sunthon Khongsomphong at Sanam Suapa. He said the atmosphere at the luncheon was good and that the NPKC chairman hosted the event for the advisory team and wished it a Happy New Year.

Asked about the conversation with Gen. Sunthon at the luncheon, the prime minister said there were no discussions about official matters or about two-step promotion for officials seconded to the NPKC. He said there was no discussion or need to correct any misunderstanding about his alleged antimilitary remarks in Los Angeles a recording of which he reportedly forwarded to the NPKC chairman. He believed the military understood what type of remarks a prime minister would or would not have made.

The prime minister clarified the remarks in question. He said in Los Angeles he was asked questions about the military. He responded that the situation has changed a great deal. About 16 years ago he was thought by the military to dislike the military or to be a communist leader. But the military later understood him correctly and even invited him to take the post of prime minister. He said he does not view whether an individual is military or a civilian. His remarks were quoted by the media in part, thus causing some people to misunderstand them to mean that the prime minister said he disliked the military.

The prime minister said he did not discuss with the NPKC chairman the coming election, commercial use of land owned by the military, or budget allocation for purchase of weapons because the purpose of the luncheon was enjoyment.

Referring to politicians beginning to criticize the government on lack of performance, the prime minister said it is normal that he and the cabinet could be viewed in that way. He said different people view government performance differently. However, he is confident that people would understand. He does not feel discouraged in any way. He added that major projects are progressing on schedule and that the NPKC has not made any proposal for the government's consideration.

Editorial Comments on Constitutional Issues*BK2312041991 Bangkok THE NATION in English
23 Dec 91 p A10***[Editorial: "Sinking Deeper Into the Political Rut"]**

[Text] Army Commander Gen Suchinda Kraprayun said after the Feb 23 coup that sometimes it was necessary for the country to take one step backward in order to get ready for a long leap forward. The coup has undoubtedly set back political development in Thailand. Many would contend that it has also hurt Thai economy significantly, regardless of how much the Anan administration has done to strengthen the economic foundation.

Unfortunately 10 months after the coup, Thailand still isn't ready to take a leap out of the political rut and morass it is in. The new Constitution is undemocratic and the next general election will put most of the same old political faces in power. And the military leaders will continue to manipulate national politics through their personal connections with political parties and through the appointed senators chosen and controlled by them.

At first the Michai committee came up with a good initiative on indirect election of senators in the first constitution draft. A Constitution Committee would be formed to select truly qualified persons to form an electorate, from which a certain number of senators would be elected. But the entire section on the Constitution Committee was subsequently deleted from the final draft. The power to select the first lot of 270 senators was given to the NPKC [National Peacekeeping Council] chairman instead. During their four-year term these senators can participate in censuring a prime minister and ministers, and in approving or rejecting emergency decrees.

The Senate, which will most likely be dominated by senior military officers and bureaucrats—like that in the present interim National Assembly—will be a tool of the military in controlling elected politicians in the next four years. Only after that will the selection of senators come under the discretion of a prime minister.

The National Peacekeeping Council rejected the indirect election of senators and yet failed to substitute it with a more acceptable way of selecting senators. Thus our country will have to put up with a military rubber-stamp Senate in the next four years. After that, government parties will have a chance to hand out senatorships to their patrons, like the way it was always done in the past. We will end up with a Senate which mindlessly serves a rubber-stamp of the politicians in power.

In the original draft constitution, the Constitution Committee would also be in charge of overseeing general elections. Without it, the Interior Ministry continues to be the sole authority responsible for organizing general elections, policing electioneering, and investigating vote-buying as well as election fraud. Experience tells us that the Interior Ministry is neither reliable nor impartial in enforcing the laws.

Interior Minister Gen Itsaraphong Nunpachdi, who is deputy army chief and secretary-general of the NPKC, is not a politician. But he still has to prove that he and the NPKC have no favoritism for any parties whatsoever and will not try to undercut those who have been unfriendly to the military council. Earlier this month he turned a blind eye to the blatant abuse of power by his men in the Interior Ministry who faked the 6.8 million signatures showing "support" to the undemocratic constitution draft in its final form.

The Interior Ministry also opposed the move to include in the new election bill the formation of an independent national committee to oversee general elections. Now Prime Minister Anan Panyarachun will have to make do with an ad hoc committee to be set up soon by his executive order. But the committee will cease to exist once the Anan administration leaves office after the next election.

One of the military leaders' excuses for staging the coup was to stop corruption and abuse of power by elected politicians who were bent on creating a "parliamentary dictatorship". Yet they refused to support the formation of an independent and effective national committee to oversee elections. Such a national body could have some effect on deterring unscrupulous politicians and their allies in the officialdom from buying votes and cheating openly.

Indeed the new bills on election and political parties do include positive changes aimed at making politicians and their parties more accountable to the voting public. But these are minor changes and shrewd politicians would be able to side step them.

Now it is certain that the NPKC chairman, retired Supreme Commander Gen Sunthon Khongsomphon, wants to be the one who countersigns the royal appointment of the next prime minister. In effect he is in a position to veto any nominee of the House of Representatives whom he thinks is unsuitable for premiership.

This virtually puts Thai politics back in the late 1970s when the military played a domineering role in the Senate and dictated the choice of a prime minister. With all these impediments to our political development, it indeed will be a mystery as to how Thailand is going to take that great leap forward.

Party Members 'Stunned' by Secretary-General*BK2312021191 Bangkok BANGKOK POST in English
23 Dec 91 pp 1, 3*

[Text] New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut yesterday yielded to pressure from former Northeastern MPs [member of parliament] and chose Phisan Mulasatsathon as the party's secretary-general instead of Sqn Ldr [Squadron Leader] Prasong Sunsiri.

The move stunned many senior party members who told the BANGKOK POST they did not expect Gen Chawalit would change his mind at the last minute to drop the

combative squadron leader who has been sharply critical of the National Peace-keeping Council.

"Both men have worked side by side after the formation of the party. But because of strong pressure from the North-eastern faction Gen Chawalit might have decided to save the party from disintegration caused by the retention of Sqn Ldr Prasong as secretary-general. Khun Phisan has a lot of followers in the region," said one senior member.

About 60 former MPs and 400 other party members took part in the party's assembly at the Central Hotel's Convention Hall. The atmosphere during the afternoon session was tense as Gen Chawalit was scheduled to announce the line-up of the new executive.

Informed sources said Gen Chawalit was under strong political pressure from a number of former MPs from the Northeast, led by Sia Leng (Charoen Phatthanadumrongkit) and Mr Phisan's brother, Punsawat Mulasatsathon, who lobbied hard for the appointment of Mr Phisan.

Sources said if the party leader had ignored their call it would have had a great adverse impact on the party's strength in the Northeast, where about 128 seats would be at stake in the general election.

"How could we rely on Khun Prasong in the next election? Nobody in Isan knows him and, if he retained the post, many former MPs might have had to leave the party. Khun Phisan could help strengthen the party in the Northeast," one former Northeastern MP said after the meeting.

There was no vote during the assembly at which Gen Chawalit personally selected 40 new executive members.

Wira Musikaphong, who was appointed one of seven deputy leaders, said Gen Chawalit was authorised to select the first secretary-general as all senior party members had agreed to this.

Gen Chawalit said the appointment of Mr Phisan would prepare the party for the election. Mr Phisan is responsible for the party's campaign.

There will be another election for new executive members after the election.

Asked about the role of Sqn Ldr Prasong, whose name was not included on the list of new executive members, Gen Chawalit said he has worked closely with the squadron leader who will be appointed senior deputy leader working alongside him.

Gen Chawalit insisted Mr Phisan's appointment will not lead to the disintegration of the party.

Mr Phisan said he was not surprised at his appointment and he will do his best for the election in the hope the party will gain a large number of seats and become the core of the next government.

However, a senior member of Sqn Ldr Prasong's staff told the BANGKOK POST he believes the move will have strong political consequences within the party. While Gen Chawalit's decision may have been predictable, it is unacceptable to some members.

A former Northeastern MP said Sqn Ldr Prasong was too tough and aggressive in his political moves during the Constitution crisis and this approach would make cooperation with other parties impossible after the election.

However, former MP for Yasothon Dr Phiraphan Phalusuk said he supported Sqn Ldr Prasong for the post because he has contributed a lot to the strength of the party.

He dismissed the accusation that Sqn Ldr Prasong was too aggressive as acting party secretary-general in recent months, adding this claim is unfair and that no one can compromise in a struggle over dictatorship.

Dr Phiraphan said the party's credibility has been helped partly by Sqn Ldr Prasong's uncompromising stance on the issue.

Samakkhi Tham Party secretary-general Sqn Ldr Thitti Nakhonthap said he was not surprised at the latest moves in the NAP, adding he expected it because the removal of Sqn Ldr Prasong would lessen the NAP's aggressive political stance.

"What I have learned is that they (the NAP's former MPs from the Northeast) are not happy with Prasong and they wanted him removed," Sqn Ldr Thitti said.

Former Northeastern MPs who supported Mr Phisan for the post included Sophon Phetsawang, Surachat Chamnansin, Pratip Kritawet, Sanan Phayakakun, Buntung Phonphanit, Sawat Supsaiphromp, Surasak Buakhao, Panya Chitawet, Tun Chitawet, Pracha Bunyanet, Chalomyot Saengwiset and Rawi Kingkamwong.

The six party deputy leaders elected yesterday are Gen Phat Akhanibut, Somsak Worakhamin, Amnuai Yotsuk, Pol Lt Chan Manutham, Den Tomina and Col Phatthana Phayakanithi. Most of the other executive posts were taken by former MPs from various regions.

Problems With Anticorruption Effectiveness Noted

BK2012021791 Bangkok THE NATION in English
20 Dec 91 p A10

[Editorial: "Corruption Is Not Only an 'Art' But a Cancer"]

[Text] Gen Sit Chirarot seems painfully conscious of the failure of the Assets Investigation Committee to meet its deadline. On Wednesday he profusely apologized for the lack of progress in the probe of the eight former ministers still on the hook. He wouldn't re-commit himself to a new deadline, saying that his men would need one or two years to gather enough evidence to make every new guilty verdict a watertight case. He also hinted that,

because of the time constraint, some of the eight might be given the benefit of the doubt and let off soon.

It is now much too late for Sit to moan over his misfortune in landing the thankless job of heading the anti-graft committee set up by the National Peacekeeping Council (NPKC) in the aftermath of the Feb 23 coup. The failure of his committee wasn't entirely his fault. For it is widely believed that some NPKC leaders have been pulling strings from behind-the-scenes to manipulate the probe for some dubious political purposes.

Instead of accepting the Sit committee's ruling as final, the NPKC engineered an amendment to create an opportunity for the accused politicians to appeal the confiscation of their assets in court. During the appeal, the politician would not be barred from parliamentary politics; without the generous amendment, anyone whose wealth is confiscated as a result of the Sit committee's ruling would be disqualified from national politics under the new Constitution.

So far the Sit committee has ordered the confiscation of about Bt630 million altogether from Gen Chatchai Chunhawan, Phithak Inthawithayan and Pol Capt Chaloem Yubamrung, but cleared Suchon Champhunot and Chuchip Hansawat. The three accused have all separately vowed to appeal the ruling against them in court, but haven't yet actually submitted formal appeals.

Four of the eight former ministers waiting for rulings are senior Chat Thai executive members: secretary-general Banhan Sinlapa-acha, chief adviser Gen Praman Adireksan, and deputy leaders Sano Thianthong and Pramuan Saphawasu. Their new leader, ACM Sombun Rahong, who has close connections with some NPKC leaders, has dropped strong hints that all four of the key Chat Thai men would receive some "good news" soon.

Sombun's magical power to bring "good news" to those in deep trouble must figure prominently in the calculations of Watthana Atsawahem, secretary-general of the Ratsadon Party, who has just decided to bring his followers to join Chat Thai. Watthana also is among the eight remaining on the Sit committee's list.

Also on the list is Montri Phongphanit, the leader of the Social Action Party (SAP), who has bestowed the post of party secretary-general on Lt Gen Kasem Kraisan, who has just resigned from the Army where he used to serve as an aide to Army Commander Gen Suchinda Khraprayun. Presumably Kasem has also brought along some "good news" to Montri, and perhaps to another SAP executive member, Phinya Chuaiphot, as well. Phinya disappeared from the political scene after he was marked for investigation by the Sit committee.

The last one on the list is Subin Pinkhayan, a former SAP executive member now with the Sammakkhitham Party. He too is expecting some "good news" because of his affiliation with the pro-military party.

All the manoeuvring by the eight former ministers and their new-found friends in high places seems to have put immense pressure on Sitthi and his investigators. Not many people—and certainly not this newspaper—will be surprised if most of the eight are eventually given the benefit of the doubt and let off the hook before the new electoral law goes into effect next month.

The NPKC began to waver when some of its leaders began negotiating secret political deals with those politicians on the initial list of the Sit committee. When Sombun was offered the leadership post at Chat Thai and Chatchai, the ex-Chat Thai leader, started voicing his support for Gen Suchinda to be the next prime minister, it was clear that some deals had been struck. But Sit wouldn't give up; he prodded his men to try to wrap things up the best they can even after the National Assembly passed the amendment to allow the politicians to appeal the confiscation of their ill-gotten wealth in court.

One lesson from the NPKC's anti-corruption fiasco is that the country desperately needs a more credible deterrent to discourage elected politicians from abusing power for their personal gain. In this respect, the recent decision of the Anan administration's legal affairs screening committee to revise anti-corruption laws, especially the one pertaining to the Counter Corruption Commission (CCC), is a timely move.

Under the proposed amendments, which the Cabinet is expected to approve next week, the Office of the CCC will be put under the direct formal supervision of the prime minister, instead of remaining under the bureaucratic control of the permanent secretary of the PM's Office. Though we would much prefer seeing the Office transformed into an independent public agency, placing it under the prime minister is a step in the right direction, especially when the prime minister will no longer have the power to veto a ruling of the CCC.

Giving the Office the power to submit its findings directly to the independent Office of the Prosecutor General can speed up legal action against corrupt officials and ministers. At present, all cases with valid evidence of corruption must be submitted to the police for reinvestigation first. Consequently the anti-corruption office has been ridiculed as a "paper tiger" with no real teeth to hurt influential officials and ministers.

Corruption in Thailand, according to Prime Minister Anan Panyarachun, has developed into a sophisticated "art" of deception and cheating. But we are afraid that it will grow into a national terminal cancer if no effective measures are taken now to stop it.

The Anan administration has a golden opportunity to start arming the anti-corruption office with some teeth. It must not fail to push all the proposed amendments through the National Assembly before its term expires. We just can't expect elected politicians in the next government to do anything about this national problem, can we?

Vietnam

Government Redeploying Forces Throughout Country

BK2112110091 Hong Kong AFP in English 1000 GMT
21 Dec 91

[Text] Hanoi, Dec 21 (AFP)—The Vietnamese Army is redeploying its forces throughout the country, the official Communist Party newspaper said Saturday on the 47th anniversary of Hanoi's Armed Forces.

The statement, in NHAN DAN, lent credence to diplomatic reports that Vietnam was transferring troops from the Chinese border, in the north, to the Cambodian frontier, in the southwest.

"The major strategic readjustment has, for the most part, been completed, (as has) the readjustment in the deployment of forces on a national scale," NHAN DAN said, without giving further details.

The withdrawal of Vietnamese troops from the Chinese border results from the normalization of Hanoi's relations with Beijing in recent months, according to several diplomatic sources. China and Vietnam fought a brief but fierce border war in February and March 1979, after Vietnam invaded Cambodia and ousted its Khmer Rouge government, which was supported by Beijing.

The redeployment along the Cambodian border coincides with the winding down of the civil war there, following the signing in October of a peace treaty in Paris between the Hanoi-backed Phnom Penh government and a tripartite guerrilla resistance dominated by the Khmer Rouge.

In its article, NHAN DAN portrayed the Vietnamese Army—which in its history has also fought France, the United States and the former Saigon regime in South Vietnam—in patriotic terms.

"Our army is always conscious that it is the principal force in the defense of the motherland, the party and the socialist regime," it said.

NHAN DAN also reaffirmed the political rule of the military in preserving socialism in Vietnam after the collapse of its longtime allies—the Soviet Union and Eastern European communist states.

"To build a politically and ideologically strong Army is task of primary importance in the current period of the revolution," NHAN DAN said, calling upon the military "to firmly maintain political stability and social order."

The paper also said that the troop redeployments, which entail a greater role for local and regional militias, had allowed "a reduction in the number of regular troops."

According to official data, the Vietnamese army is the third-largest in the world, with more than a million soldiers. Its numbers were reduced in the late 1980's after Vietnam's troop pullout from Cambodia and detente with China.

PLO Leader 'Arafat Arrives on Visit 22 Dec

Leaders Attend Welcome Ceremony

BK2212084991 Hanoi VNA in English 0631 GMT
22 Dec 91

[Text] Hanoi VNA Dec. 21—A high-level delegation of the State of Palestine led by President Yasir 'Arafat, who is also chairman of the Palestine Liberation Organization (PLO), arrived here this afternoon for an official visit at the invitation of the State Council.

The official welcome ceremony was organized at the presidential palace in the presence of President of the State Council Vo Chi Cong, Chairman of the Council of Ministers Vo Van Kiet, Chairman of the National Assembly and Vice President of the State Council Le Quang Dao and Vice President of the State Council Nguyen Quyet and Nguyen Huu Tho, Foreign Minister Nguyen Manh Cam and representatives of various mass organizations and offices in Hanoi.

Ambassador said al-Masri and other staff members of the Palestinian Embassy in Hanoi were also on hand, as were ambassadors of China, Korea, Cambodian charge d'affaires A.I. and ambassadors and charge d'affaires A.I. of Arab countries to Vietnam.

Talks With Vo Chi Cong

BK2212154991 Hanoi VNA in English 1454 GMT
22 Dec 91

[Text] Hanoi VNA Dec. 22—President of the Vietnamese State Council Vo Chi Cong and President of the State of Palestine Yasir 'Arafat held talks here this morning.

Present at the talks on the Vietnamese side were Nguyen Quyet, vice president of the State Council, Nguyen Manh Can, minister for foreign affairs, Nguyen Dy Nien, deputy foreign minister, Trinh Ngoc Thai, deputy head of the Commission for External Relations and Dinh Van Niem, assistant to the president of the State Council.

On the Palestinian side were Samir Ghawshah, member of the Executive Committee of the Palestine Liberation Organization (PLO), Hani al-Hasan, member of the Executive Committee of the Al-Fatah, Imak Shaqur, advisor to the president of the State of Palestine, 'Izzat Abu al-Rubb, member of the Revolutionary Council of the Al-Fatah, Mustafa Safarini, advisor to the president on Southeast Asian issues, and ambassador Said al-Masri.

President Vo Chi Cong highly praised the Palestinian people's persistent struggle for their sacred fundamental rights and hailed the PLO's good will and correct stance for solving the Middle East issue through peaceful negotiation. He stressed that a comprehensive, fair and reasonable solution to the Middle East issue must ensure the Palestinian people's fundamental rights and meet the legitimate interests of all nations in the region. President

Vo Chi Cong reiterated the consistent support of the Vietnamese people to the Palestinian people's just struggle for peace, national independence and development.

President 'Arafat hailed the great achievements recorded by the Vietnamese people in the renovation process and reaffirmed the Palestinian people's strong support for Vietnam's external policy of building friendship with all countries in the world and striving for peace, independence and development.

The two leaders exchanged views on the latest developments in the world and in the region and reached complete identity of view in all issues brought up for discussion.

Received by Do Muoi

*BK2212152191 Hanoi VNA in English 1449 GMT
22 Dec 91*

[Text] Hanoi VNA Dec. 22—Do Muoi, general secretary of the Communist Party of Vietnam Central Committee, today warmly received Yasir 'Arafat, president of the State of Palestine and chairman of the Palestine Liberation Organization (PLO), and his party now on an official visit to Vietnam.

President Yasir 'Arafat presented General Secretary Do Muoi with a sword which represents the Arab national tradition and the Palestinian people's undaunted fighting spirit.

General Secretary Do Muoi praised the persistent fighting spirit of the Palestinian people under the leadership of the PLO and reiterated the consistent support of the Communist Party, government and people of Vietnam to the Palestinian people's struggle for their sacred fundamental rights. He expressed his belief that, though having to cope with many more hardships and obstacles, the Palestinian people with their staunchness and unity and fighting along a correct line will gain final victory.

President Yasir 'Arafat evoked his memories of President Ho Chi Minh, the outstanding leader of the Vietnamese people whose name, he said, is very sacred to the Palestinian people. He heartily thanked the Vietnamese party, government and people for their strong support to the Palestinian people's struggle, saying this is a great encouragement to the Palestinian people's in their new stage of hard and complicated struggle.

The two leaders discussed the world and regional situation and were unanimous in all issues brought up.

Also today, the Palestine president was received by Chairman of the Council of Ministers Vo Van Kiet.

President Y. 'Arafat and his party left Hanoi later in the afternoon. They were seen off by President Vo Chi Cong, Chairman Vo Van Kiet, Foreign Minister Nguyen Manh

Cam and other high officials. Earlier in the day, the Palestine delegation paid a floral tribute at the Ho Chi Minh mausoleum.

Editorial Praises 'Arafat, PLO

*BK2112095691 Hanoi VNA in English 0610 GMT
21 Dec 91*

[Text] Hanoi VNA Dec. 21—Editorially welcoming the arrival today for an official visit to Vietnam by President Yasir 'Arafat, president of the Palestine state and president of the Palestine Liberation Organization (PLO), NHAN DAN daily reiterated the Vietnamese state and party's consistent support for the Palestinian people's just struggle under the leadership of the PLO headed by himself.

After pointing out that the main obstacle to the progress of the Middle East peace conference is Israel's failure to comply with the UN resolutions on the Middle East and Palestine issues, the paper said: "The Vietnamese people express their heartfelt gratitude to the precious support extended them by the Palestinian people for many years past. We are especially moved by and highly appreciate the profound concern of President 'Arafat and the Palestinian state who wish to contribute to the economic development of Vietnam.

"We highly appreciate the initiatives and the goodwill stance of the PLO and the Palestinian state in their active participation in the negotiations on the Middle East issue. Together with the Arab nations and the people across the world, we demand that Israel seriously carry out Resolutions 242 and 338 of the UN Security Council".

National Assembly Meetings, Debates Continue

Finance Minister Gives Report

*BK2012135191 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 11 Dec 91*

["Excerpts" from report read by Finance Minister Hoang Quy at the Eighth National Assembly's 10th session in Hanoi on 10 December—read by announcer; following is a fuller version of the item published in the 20 December East Asia DAILY REPORT, page 56 under the headline "Finance Minister Presents Report"]

[Text] Dear friends, at the opening session of the Eighth National Assembly's 10th Session being held in Hanoi, Comrade Hoang Quy, minister of finance, on behalf of the Council of Ministers, delivered a report on the implementation of the 1991 state budget and the 1992 state budget estimate.

After presenting the general situation on the revenue sources, the report pointed out: Regarding state budget contributions, internal revenues account for more than 117 percent of the plan norms, or an increase of 42 percent as compared with 1990. These figures represent the revenues collected during the past 11 months, and it

is likely that the budget contributions will be increased by the end of the year. The collection of revenues from state-run enterprises account for more than 120 percent of the set target, or an increase of 77 percent as compared with 1990. The state budget contributions from small industrial and handicraft sectors as well as from nonstate service industries have fulfilled the set target; an increase of 57 percent over 1990 has been recorded. Agricultural taxes have fulfilled 145 percent of the set target, or an increase of 95 percent compared with 1990. Import-export and trade taxes have fulfilled 105 percent of the set target, or an increase of 58 percent compared with 1990.

Results in the collection of state revenues in 1991 reveal the following points:

First, internal revenues account for more than 95 percent of the state budget and constitute the main source of the state budget for the country's expenditures. Revenues from foreign sources account for nearly five percent of the state budget and are unstable and declining dramatically. Revenues from import taxes from the Soviet Union and East European countries have basically ceased.

Second, many state enterprises have effected positive changes and have gradually developed their roles in the new mechanism. Substantially high production output has been recorded, especially among state enterprises at the central level and in provinces and cities. A substantial increase in state budget contributions has also been recorded by higher production in crude oil, power supply, cement, fertilizer, steel, insecticide, tobacco, beer, paper, sugar, and so forth. After the promulgation of the tax law, many enterprises have paid their taxes according to schedule while the tax sector has made great efforts to improve tax collection and to increase revenues for the state.

Third, state budget contributions from small industrial and handicraft sectors as well as from nonstate service industries have fulfilled the set target showing an increase of 57 percent over 1990, of which more than 20 percent was regained from shortfalls in tax collections and more than 30 percent from fixed price goods. In fact, prices of goods in the market increased by more than 60 percent, while tax collection could not keep pace with price increases. In many localities, tax fraud and evasion are still prevalent. However, compared with previous years, many provinces and sectors have displayed a better sense of responsibility toward their obligations to the state budget. In addition, more experience has been drawn from the revenue service and combined efforts have been made to promote tax obligation awareness and remedy tax collection shortfalls. The Provinces of Quang Ninh, Ha Bac, Thuan Hai, Khanh Hoa, An Giang, Dong Nai, Dong Thap, Song Be, and Minh Hai have done a relatively good job in collecting taxes from the nonstate sector. Regrettably, such key localities as Ho Chi Minh City, Hanoi municipality, Haiphong city,

and the Provinces of Quang Nam-Danang, Thua Thien-Hue, and Hai Hung have failed to collect enough taxes from the nonstate sector, thus affecting the implementation of the yearly tax collection plan. Moreover, thus far, the revenue service and administrative organs at all levels have not satisfactorily implemented measures to fulfill the tax collection target. Cadres have undergone training but their professionalism remains far requirements. Many localities still resort to negotiations in tax collection. Many district, city ward, and village administrative organs continue to collect fees from local businesses and keep the money to cover their own budgets, thus causing a substantial tax collection shortfall for the state budget. A major shortfall still exists in the collection of taxes imposed on vendors engaged in wholesale business trips, fisheries, forestry, slaughterhouses, liquor, foreign products, and so forth.

The report further said: Due to serious natural disasters faced by many localities throughout the country, agricultural taxes—paid in grain—declined by more than 100,000 tonnes. However, thanks to the great efforts of localities in collecting full taxes during the 10th month rice crop as well as their close monitoring of market prices, the agricultural tax turnout was relatively high in value. As for the collection of income taxes, though implementation has been carried out only at joint enterprises during the past eight months thus far, the results are fairly satisfactory and the potential is great if a proper collection plan is mapped out.

Regarding the rate of remittances of revenues to the 1991 state budget, only 18 percent of the national revenues have been remitted to the state budget. Noteworthy is that while the remittances were low, the shortfall in tax collection was not small.

Furthermore, in addition to taxes, many localities and sectors have imposed too many types of fees. According to still incomplete reports filed by 16 provinces and six ministries, as many as 70 kinds of fees have been collected by the various ministries and localities. In the immediate future, it is necessary to adopt resolute measures to overcome this chaotic situation and to keep the people informed of the types of taxes and official fees applicable in our country, thus enabling them to fulfill their tax obligation and supervise the implementation of the tax law by the various echelons and state agencies.

Dear friends, regarding budget allocations, the Council of Ministers' report, delivered by Comrade Hoang Quy, said: Spending exceeded the amount budgeted by more than 119 percent, thus surpassing the estimate made earlier in the year. As a result, the state budget overdraft in 1991 is still substantial. However, the management of the budget deficit has been initially handled satisfactorily by using various positive measures such as strictly limiting the issuance of money to cover the budget deficit and concrete efforts to curb inflation.

In assessing the 1991 state budget revenues and spending, the report pointed out: The handling of financial and monetary affairs in 1991 has proceeded in the right direction. Many difficulties and limitations have still developed in the course of actual work implementation. However, this right course of action will help make the national financial situation become healthier and contribute to checking inflation and stabilizing the socioeconomic situation.

The report continued: The objectives of the financial and monetary management work in 1992 are to tap more financial resources in and outside the country; make the most effective and economical use of those resources to meet socioeconomic development needs and the requirements of national defense and security; improve part of the wage system; create more employment opportunities; gradually push back and curb inflation; create the environment and fundamental conditions for promoting business activities; and improve the people's living conditions. The state will apply a firm, effective policy on finance to promote the collection of revenue sources to increase the state budget, reduce subsidization to production and business establishments, streamline cumbersome agencies, reestablish financial discipline, improve the division of authority on financial management, and renovate the budget structure and balance.

The report stressed: Taxes constitute the main source of state budget revenues. Therefore, continued efforts are needed to perfect the tax law and strengthen the tax collection apparatus and the tax collection managerial mechanism so as to promote production and business transactions and help the various business sectors with the accumulation of investment capital. At the same time, it is necessary to work out measures to increase the rate of state budget contributions to more than 20 percent compared with the gross national product.

Regarding expenditures, it is necessary to classify the three categories of expenditures using the income-spending balancing method for each kind of expenditure. The first category involves regular spending which is aimed at meeting the requirements of the state apparatus, national defense, and social welfare activities. This expenditure totally depends on internal revenue sources and possible humanitarian aid from abroad. This expenditure is permissible within the bounds of the total amount of income, and the issuance of money for this expenditure is strictly prohibited. The second category involves debt payment which depends partially on the depreciation fund taken from state-run enterprises, from money left over after regular spending, and from new loans to pay for old debts. The third category is related to investment in the infrastructure and the development of key enterprises or important social welfare projects. Capital for development may be allotted from the accumulation of money left over after regular spending or from loans obtained from investors or foreign countries.

The report stressed: Loans for investment in business establishments, including state-run ones, must be sought

with terms of repayment. We must not rely on the issuance of money for investment because this is the main cause of inflation.

17 Dec Session Reviewed

*BK2212101191 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 17 Dec 91*

[Report by unidentified station correspondent on debate at the 17 December National Assembly session in Hanoi]

[Text] Dear friends, at the session this morning 17 December, most of National Assembly deputies agreed to the appraisal made by the Council of Ministers on the 1991 socioeconomic situation. However, many deputies said that given the swift changes of the international situation, it is necessary to effect quick changes in our state's guidance and management to meet new requirements of the economy while striving to maintain social order and safety.

Deputy Nguyen Trung Du from Lam Dong Province said that the Council of Ministers has made considerable progress in providing guidance and supervision over the socioeconomic task, while it scored little success in supervising the cultural, social, and ideological work. He said that the impact of the international situation has adversely affected the cultural and spiritual life of our people at home.

Dealing with issues related to the 1992 socioeconomic plan as set forth by the Council of Ministers, Deputy Truong Nghiep Vu from Thuan Hai Province said that it is necessary to concentrate efforts on implementing major projects of the plan. Based on our country's socioeconomic structure and situation, Deputy Truong Nghiep Vu proposed:

[Begin Truong Nghiep Vu recording] Concerning the orientations and tasks for the days ahead, I would like to make two proposals: First, the seventh national party congress resolution raised an issue that has received a warm welcome and the support of the people, that is the proposal to build a new rural area. However, inconsistencies are still prevalent in the 13 projects proposed by the Council of Ministers and they are not considered major projects for the next five-year plan. This is the question that needs reconsideration. I think it is necessary for us to build a clear socioeconomic structure for our rural area for the 1992-1995 period.

For the immediate future, on the basis of the 13 projects of the Council of Ministers, I propose that concrete policies and measures should be formulated to promptly build a family economy in the rural area with special attention given first to the policy on social welfare and second to the renovation of the rural mechanism and improvement of agricultural cooperatives. In my province, these tasks are still very difficult to achieve as far as the new and the old aspects are concerned. As a result, to create a driving force for these tasks, I propose that the Council of Ministers promptly formulate concrete, clear

orientations and guidance to fulfill them. My second proposal relates to the issue of providing loans for the peasants to engage in production. Although policy regarding this issue has already been formulated, I propose that we should study and review our procedure in providing loans to ensure that the money is optimally used by peasants to engage in production and to buy agricultural materials. This means that we must draw on experiences on the current credit system in the rural area to find ways and means to ensure that loans are invested directly in production. I suggest that loans may be provided partially in terms of goods rather than entirely in monetary form. [end recording]

Dear friends, another issue that drew great attention from the deputies was the measure to resolve obstacles that have caused us difficulties. These measures include efforts to improve revenue collection in order to increase the state budget so we can gradually meet our expenditures. Our 1991 state budget depended chiefly on internal revenue resources. After implementing the renovation undertaking for a certain period, many state-run enterprises have gradually adapted themselves to the new mechanism. The contingent of our tax officers have made great efforts in their task. However, to meet requirements in the new stage, it is necessary to train and foster these cadres to enhance their capability.

After analyzing expenditures and revenue sources in the 1991 National Budget and the 1992 National Budget Estimate, National Assembly Deputy Doan Van Nhan of Binh Dinh stressed:

[Begin Doan Van Nhan recording] In order to quickly control inflation and settle the national financial and monetary situation, the most urgent measure that needs to be taken is to accelerate and broaden production. Then with the increase in revenue and the decrease in expenditures, we will be able to lower the national budget deficit and control inflation. Consequently, we will be able to quickly solve daunting problems left over from the bureaucratic and subsidized system of previous years. At the same time, we should create a new structure and policy to enhance the development of the multisectoral commodity economy in the market-oriented system under government management.

We totally agree with renewing the management structure of the national budget which was presented by the Council of Ministers. We also suggest that the coming budget management structure should ensure unity in management for the entire country and at the same time must encourage the localities to develop production, thereby increasing revenue for the national budget. Here, the prominent problems are finding measures to overcome tax evasion in non-state economic units. Regarding this, we suggest the following:

The first point is to perfect and strengthen the taxation service, especially in training and upgrading the professional knowledge and quality of taxation officers. At present in my province, more than 54 percent of the taxation

officers are untrained and unqualified. They have never had any qualifications for their jobs nor have they been professionally trained for even one day. Subsequently, how can they perform their duty satisfactorily?

The second point is to quickly implement an appropriate reward policy for taxation officers and officials from other sectors who take part in our fight against tax evasion. This is a pressing issue at the grassroots level. Without the assistance of local authorities and law enforcement agencies, it is impossible to collect taxes. Therefore, we suggest that there should be a reward for their help. [end recording]

The National Assembly promulgated some tax laws and issued a reduction and exemption of agricultural tax in conformity with President Ho Chi Minh's will. Now it is about time for us to review the agricultural tax laws, and if necessary, we should adjust to strongly accelerated agricultural production.

Deputies Phan Tan Tien of Hau Giang, Tran Thi Lien of Dong Nai, Nguyen Trung Cau of Kien Giang, Le Quang Thanh of Long An, and other deputies contributed many fine ideas on issues relating to agricultural taxes and measures to accelerate agricultural production. They suggested that the Council of Ministers and other government offices review the movements for the formation of agricultural cooperatives, extracting the strong and weak points so we can improve.

Deputy Huynh Van Hoang of Ho Chi Minh City suggested:

[Begin Huynh Van Hoang recording] A suitable agricultural tax encourages peasants to produce more for selling, creating a foundation for political stability in the rural areas and at the same time increasing revenue for the state. While the agriculture tax law has not yet passed, we suggest that the Council of Ministers, within its scope of authority, change the present agricultural tax rate in 1992, making it reasonable when compared with the tax rate applied to other production sectors. As a practical measure, I suggest that the tax rate be two percent of the yield for rice producers. [end recording]

Apart from the aforementioned issues, the deputies also focused on the debts between economic units and the units' solvency, as well as the promulgation of a bankruptcy law so we can have more tools to deal with economic units running at a loss. To control inflation, they suggested that the construction of nonessential projects should be decreased, the fight against cross-border trading should be strengthened, and the incorrect granting of import-export licenses should be stopped and properly dealt with.

Somebody also proposed that in order to avoid an across-the-board policy in the allocation of money in national budgets from 1992 onward, there should be a policy that any locality that raises more revenue should receive more investment from the government.

18 Dec Debate Reported

*BK2212143791 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 18 Dec 91*

[Report by station correspondent Truong Cong Hoa on the National Assembly session's 18 December debate on the socioeconomic situation]

[Text] Dear friends: Like the day before yesterday, most of the views expressed by the National Assembly deputies at yesterday's [18 December] session agreed with the report that the Council of Ministers Chairman Vo Van Kiet had presented to the National Assembly. They noted that the report was fairly detailed, that it looked squarely at the truth, and that it touched on many issues closely related to life, assessing achievements as well as failures, and setting forth tasks for 1992 and the subsequent years as well as measures to implement them.

Tran Thanh Liem, a deputy from Minh Hai Province, said:

[Begin Tran Thanh Liem, recording] Based on the Council of Ministers' report, we see that everybody felt more comfortable in 1991. This testifies to the correctness and efficiency of the policies that we have implemented in a bid to replace foreign aid with our own efforts. These achievements are the result of sound policies. As far as the renovation undertaking is concerned, we see that the Council of Ministers has proven itself to be more straightforward and more accurate when it comes to discharging its managerial task and assessing the socioeconomic situation. Consequently, it can be said that the report has presented a clearer and more accurate picture of the situation. Moreover, in the process of discharging its managerial role, the Council of Ministers has followed the situation very closely. Those achievements have filled us with joy.

Correct evaluation and information have not only affected the formulation of proper solutions but have also contributed to resolving a social problem. This means that these factors have helped dispel the distrust of large numbers of the people, thus motivating the latter to join hands with our party and state in a common cause. [end recording]

The National Assembly deputies focussed on ways to exploit all national potentialities and on other problems like financial and monetary issues; budget revenues and expenditure; anti-inflationary measures; wages; employment; and the living conditions of cadres, office and manual workers, and people of all walks of life.

(?Nguyen Co Thach), a deputy from Ha Tay Province, pointed out: At present, our country has a large population but little land. Therefore it would be reasonable to apply the household development plan based on the VAC formula [garden, fishing pond, and pig sty]. Moreover, it is necessary to develop more trades and occupations in the countryside. Special importance must be attached to in-depth investment in agricultural products

and food processing industries. Scientific research agencies and the Ministry of Fisheries should conduct research on the production and utilization of fertilizer based on biological innovations and should use biological knowhow to help eradicate harmful diseases and insects, replacing chemical fertilizer and chemical insecticides in use at present.

Deputies Tran Tu Huy, Phan Thi, and Dao Thi Lieu, respectively from Minh Hai, Thanh Hoa, and Cuu Long Provinces, recommended the inclusion of another plan called project no. 14 into the socioeconomic development program to benefit rural development. Deputy Phan Thi further stressed: Investment capital should be reserved for agriculture. The countryside should engage not only in agricultural production but in other trades and occupations as well.

According to Deputy Tran Tu Huy, the development of the hill and forest economy would be the most reasonable thing to do. Le Van, a deputy from Ha Tay Province, recommended that the National Assembly commend Vietnamese peasants who, despite many natural disasters, still managed to produce 21.7 million tonnes of grain in 1991.

Also touching on agricultural production, Le Huynh Thai, a deputy from Cao Bang Province, made this remark: Over the recent years, we have reaped bumper crops. Besides objective factors like weather, one must cite a very important factor, namely the mechanism. Directive 100 and the contractual system based on Political Bureau Resolution 10 have been a great source of encouragement for peasants. However, from 1992 onward, it is necessary to pay attention to a very important factor. This means that more positive efforts are needed to apply scientific and technological innovations to agricultural production. Deputy Le Huynh Thai said:

[Begin Le Huynh Thai recording] I fully agree with the major solutions proposed by the Council of Ministers and would like to clarify a number of points as follows: It is necessary to correctly assess the role of science and technology in the future socioeconomic development program. There are two reasons: First, our economy has shifted to the market mechanism in which science, production, and the market are closely related. Second, realities from neighboring countries like China and Thailand indicate that great importance has been attached to scientific and technological research. We have an abundant source of skilled workers and scientists. Recently, we attended a conference of intellectuals held in the capital city of Hanoi (?under the sponsorship) of the Political Bureau. As far as we know, those scientists work very enthusiastically, take great interest in their research in support of production, and demonstrate a high sense of responsibility. We would like to suggest that the Council of Ministers promptly work toward a policy aimed at creating sufficient conditions for scientists to effectively use their knowledge to benefit socioeconomic development both in the immediate and far future. [end recording]

Dear friends, regarding industrial, small industrial, and handicraft production, many deputies stressed that industrial production this year has achieved a better result, and that to continue to vigorously accelerate industrial development—especially state-run industries—the state should invest more in developing key industries. At present, we have received some foreign investment, but we should strive to attain more capital from foreign countries while taking measures to accumulate capital at home, especially from the people.

Analyzing activities of the state-run enterprises, Nguyen The Lan, deputy from Ho Chi Minh City mentioned some interesting phenomenon that have caused setbacks at these enterprises and have blocked the positive role of workers at factories. He said:

[Begin Nguyen The Lan recording] There is a widening gap in the effort to gain benefits for the state and the collective as against individuals. If we allow this practice to persist and do not apply new thinking in managing the state property, then it will have serious adverse effects on our national economy. [end recording]

Dear friends, most of the deputies' viewpoints called for the state to urgently and drastically reorganize the state-run economy; to dissolve enterprises operated at a loss in order to strengthen investment in the stronger ones; and to stop the importation of industrial goods that can be produced at home. Many deputies asserted that some privately-run industrial enterprises have produced goods with good quality that can compete with those of other economic components. However, capital remains the most difficult problem; as a result, efforts should be made to resolve the capital issue so as to provide more loans for key industries. The most pressing issues at present, however, are the financial and monetary issue, the collection of state revenues, tax evasion, and corruption.

Regarding the management of the state budget by the education sector of Quang Nam-Danang province, deputy Ha Thi Kim Phuong said that after one year of managing its own budget, the province was able to settle all debts owed by the sector to teachers and there is no longer any delay in payments. Noteworthy is that now the province has some excess money for improving the activities of the provincial education sector, thus being able to eliminate some negative phenomena. Deputy Ha Thi Kim Phuong proposed that the Council of Ministers should soon allow the education sector to manage its own budget. Dealing with the shortfall in collecting industrial and trade taxes, Deputy Ha Thi Kim Phuong suggested that in 1992 the tax sector should make public all the tariffs levied on goods and strive to eliminate contacts between the people and responsible agencies aimed at evading industrial and trade taxes.

Regarding efforts to improve the state budget, Nguyen Van Sinh, deputy from Quang Ninh province said:

[Begin Nguyen Van Sinh recording] We must improve the state budget on the basis of developing production

and business. Concerning the collection of state revenues at present, I think that if we have good guidance, we will be able to collect more taxes for the state, including taxes on slaughtering, the production of marine products and so forth, and export-import taxes—the law governing this issue has just been promulgated. According to the Council of Ministers' reports, more than 300 billion dong in export-import taxes were collected in 1991. [words indistinct], however, I think that if we apply the proper management, we will be able to collect more export-import taxes. As a result, to attain a satisfactory collection of taxes, we should strengthen supervision in provinces and at echelons of the administration. I totally agree with measures aimed at achieving a uniform budget system, as mentioned by the Council of Ministers Chairman and the Minister of Finance. However, I think that we should map out appropriate steps in 1992 to achieve this task. I also agree with Comrade Minister of Finance Hoang Quy on his proposal to separate the state management function from that of production and business, to strive to improve the echelons of the state administration, and step by step to take appropriate measures to renovate budget management. I propose that the allocation of budget for provinces in 1992 should be made on the basis of the revised Council of Ministers' Decree no. 186, and that all positive sides of this decree should be maintained. [end recording]

Dear friends, many deputies also urged the Council of Ministers to attach importance to motivating the people to contribute capital for developing the nation and improving other social activities.

Regarding this issue, Dao Thi Bieu, deputy from Cuu Long Province said:

[Begin Dao Thi Bieu, recording] I have some suggestions to make to help overcome the difficulties in managing our budget. I think that we should motivate the people to participate in development programs, aimed at improving social welfare activities and providing more assistance to poor people. I think that the government alone can not fulfill all [words indistinct] work, thus the people should be called in to complete the task. [end recording]

Dear friends, you have just listened to a report on the debates at the National Assembly yesterday, 18 December. The National Assembly continues its work today at the Conference Hall in Hanoi.

20 Dec Afternoon Session Reported

*BK2012155991 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 20 Dec 91*

[Text] At this afternoon's session, the National Assembly continued to hear Comrade Cao Sy Tuyen, governor of the State Bank, answer questions from various deputies about the credit and monetary issue and the need to continue to restore order and discipline in the banking sector.

Next, the National Assembly heard Comrade Ngo Xuan Loc, minister of construction, answer questions from various deputies concerning the issue of selling houses in Ho Chi Minh City at higher than established prices. After hearing Minister Ngo Xuan Loc present the initial results of a state inspection team, the deputies raised many suggestions and expressed the stringent attitude of the National Assembly toward those irregularities in selling houses in Ho Chi Minh City at prices higher than established.

Also at this afternoon's session, the National Assembly heard Comrade Tran Quyet, head of the Supreme People's Organ of Control, answer questions about former Forestry Minister Than Trung Hieu.

21 Dec Morning Session Reported

BK2112064291 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 21 Dec 91

[Text] This morning, 21 December, the National Assembly continued its work at the Conference Hall in Hanoi. National Assembly Chairman Le Quang Dao directed the session.

National Assembly deputies questioned Comrade Tran Quyet, chief procurator of the Supreme People's Organ of Control [SPOC], on the investigation and the suspension of investigation over the Than Trung Hieu case. Afterward, Comrade Tran Quyet and comrade Phan Xuan Dot, minister of forestry, answered questions put forth by the deputies.

Chief Procurator Tran Quyet verified the SPOC proposal—as presented in its report to the National Assembly—on the suspension of investigation over the Than Trung Hieu case. Forestry Minister Phan Xuan Dot reported on mistakes committed by Deputy Minister Than Trung Hieu that prompted officials of the ministry making demands for reprimand against the deputy minister, and that the Council of Ministers chairman has issued an order relieving Deputy Minister Than Trung Hieu from his post.

A number of deputies questioned Minister Phan Xuan Dot's responsibility in cadre management task, and asked for his clarification on some irregularities in the ministry's activities.

Also at this morning's session, Council of Ministers Chairman Vo Van Kiet expressed ideas pointing out a number of key issues in implementing the nation's socioeconomic development program, and answered a number of questions put forth by the deputies.

Salary and Wages Discussed

BK2112092291 Hanoi VNA in English 0627 GMT 21 Dec 91

[Text] Hanoi VNA Dec. 21—The National Assembly on Friday heard answers made by the government and various ministries to questions from deputies.

The first hearing was about banking operations. It was acknowledged that the recent massive sale of gold by the bank was a necessary move to help keep gold and dollar going up in price, but there were loopholes in management.

The Finance Ministry further explained why losses had occurred in tax collection and why arrears had not been paid while the Construction Ministry cleared up problems about the sale of state housing property in Ho Chi Minh City, which has aroused anger among the public.

The Ministry of Labour, War Veterans and Social Affairs was asked to be more specific about salary and wages, the streamlining of government organizations, social allowances, timely pension pays, seniority allowances to retired school-teachers, and other hard nuts to crack.

The Ministry of Culture, Information and Sports clarified matters regarding a recent scandal involving Hong Kong and Vietnamese filmmakers, and accepted responsibility for the current rash of bad video films and literature.

The Council of Ministers was asked to make clear how it would enforce deadlines for import-export tax payments.

The People's Supreme Inspectorate, for its part, gave a full account of investigations into charges of irresponsibility against several officials of the Ministry of Forestry, and informed the assembly of its latest decision.

21 Dec Session Reviewed

BK2112140491 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Dec 91

[Text] Today, the National Assembly entered its 11th day of work. This morning, the deputies continued to question the head of the Supreme People's Organ of Control about the investigation into and the suspension of a court case against Than Trung Hieu, former deputy minister of forestry.

The National Assembly deputies also questioned Forestry Minister Phan Xuan Dot over the Forestry Ministry's proposed disciplinary actions against former Deputy Minister Than Trung Hieu. The National Assembly deputies called for further clarifying those lost assets. The head of the Supreme People's Organ of Control defended its suggestion—as cited in a report—for suspending the investigation into the case.

At this afternoon's session, the National Assembly heard Comrade Le Quang Dao, chairman of the National Assembly, deliver a report on the activities of the Eighth National Assembly during its term of office; Comrade Phan Van Khai, vice chairman of the Council of Ministers, delivered a report in which he reviewed the activities of the Council of Ministers during the term of office of the Eighth National Assembly; and Comrade Pham Hung, presiding judge of the Supreme People's Court, and Comrade Tran Quyet, head of the Supreme People's

Organ of Control, delivered reports in which they respectively reviewed the activities of the Supreme Court and the Organ of Control during the term of office of the National Assembly.

Tomorrow, the National Assembly will be in recess.

Communique Details Discussions

*BK2212072191 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 22 Dec 91*

[Communique No. 9 [as heard] of the Eighth National Assembly's 10th session]

[Text] On the morning of 21 December, the National Assembly held a plenary session at the Conference Hall in Hanoi. National Assembly Chairman Le Quang Dao directed the session.

Many deputies questioned Chief Procurator of the Supreme People's Organ of Control [SPOC] about the investigation of a court case against Than Trung Hieu, former deputy minister of forestry. The Chief Procurator answered all questions raised by the deputies. The National Assembly charged the Council of Ministers with the task of examining and resolving all pending issues related to this case.

Afterward, the National Assembly heard Council of Ministers Chairman Vo Van Kiet present a number of issues after hearing various ministers and the state bank governor answered questions of the deputies.

The afternoon session was directed by Phung Van Tuu, deputy chairman of the National Assembly. The National Assembly heard:

1. Le Quang Dao, vice chairman of the Council of State and chairman of the National Assembly, report on activities of the Eighth National Assembly during its term of office;
2. Phan Van Khai, vice chairman of the Council of Ministers, report on a review of activities of the Council of Ministers during its term of office of the Eighth National Assembly;
3. Pham Hung, chief judge of the Supreme People's Court, report on activities of the court sector during its term of office of the Eighth National Assembly; and
4. Tran Quyet, procurator of the SPOC, report on activities of the SPOC during its term of office of the Eighth National Assembly.

National Assembly deputies will hold group discussions on 23 and 24 December.

Australia**Trade Minister Welcomes GATT Proposals**

BK2212095891 Hong Kong AFP in English 0900 GMT 22 Dec 91

[Text] Canberra, Dec 22 (AFP)—Australia on Sunday welcomed proposals by GATT Director General Arthur Dunkel to break the stalemate in world trade talks but said they did not go far enough.

"Although the proposals do not go as far as we would have wished, they do set in place what we have been arguing for for the last five years," Trade and Overseas Development Minister Neal Blewett told a news conference here.

The proposals, released Friday in Geneva, contain "a set of irreversible mechanisms which over time will transform international trade in agriculture to the benefit of free-exporters, non-subsidised exporters such as Australia," Blewett said.

The European Community's Farm Commissioner, Ray MacSharry, has described as "unacceptable" Dunkel's proposal of a 24 percent cut in EC subsidies for exports of farm produce.

But Blewett said the European response was "not that negative ... but in many ways was quite a moderate response."

Members of the 108-nation GATT trading body have until January 13 to respond formally to Dunkel's 440-page document and Blewett said he hoped Australia would do after the Cabinet meets for the first time under the new Prime Minister Paul Keating on January 6.

Blewett said implementation of the package "is not going to solve the immediate recessionary difficulties our farmers face," but added: "What we are trying to do is to make sure of the long-term future of Australian farmers."

Government Endorses Resumption of RSA Air Link

BK2312074491 Melbourne Radio Australia in English 0500 GMT 23 Dec 91

[Text] The Australian Government has endorsed an agreement between its international carrier, Qantas, and South African Airways [SAA] for the resumption of direct air services between the two countries.

The transport minister, John Kerin, says Qantas will benefit from the strong demand for travel between Australia and South Africa. Air links between the two countries were banned in 1987 because of South Africa's apartheid policies.

The reintroduction of the route follows the Commonwealth heads of government meeting in Harare, Zimbabwe, earlier this year where it was agreed that people to people sanctions against Pretoria would be lifted in the wake of the dismantling of apartheid.

Qantas will take up weekly flights to the South African city of its choice and SAA will fly a weekly route to Perth and Sydney starting at the end of January.

Solomon Islands**Parliament Condemns Indonesian E. Timor Killings**

BK2212072691 Melbourne Radio Australia in English 0500 GMT 22 Dec 91

[Text] The Solomon Islands parliament has strongly condemned the killing of East Timorese by the Indonesian army on 12 November. This follows the passing in parliament of this motion from the opposition foreign affairs spokesman and member of Central [word indistinct], (Francis Somala).

(Mr. Somala) said the action by the Indonesian army was inhumane and against human rights. He said the killings were politically motivated, and the resulting situation threatened regional peace and security.

Acting Foreign Minister, Sir Baddeley Devesi, told parliament that the Honiara government had condemned the killings through its ambassador to the United Nations. He said Solomon Islands also supported the United Nations' efforts to send an international team to investigate the killings.